

April 26, 2018

**To: Alberta Utilities Commission (“AUC” or “Commission”)**

**Re: Forwarding Notice – Recommendation to Reject for Adoption North American Electric Reliability Corporation Reliability Standard, MOD-025-2, *Verification and Data Reporting of Generator Real and Reactive Power Capability and Synchronous Condenser Reactive Power Capability***

The Alberta Electric System Operator (“AESO”) recommends that the Commission approve the rejection of the North American Electric Reliability Corporation (“NERC”) reliability standard MOD-025-2, *Verification and Data Reporting of Generator Real and Reactive Power Capability and Synchronous Condenser Reactive Power Capability* (“NERC MOD-025-2”), pursuant to Section 19 of the *Transmission Regulation*.

### **Background**

The purpose of NERC MOD-025-2 is to ensure that accurate information on generator gross and net real and reactive power capability and synchronous condenser reactive power capability is available for planning models used to assess bulk electric system reliability.

The AESO has determined that, while different methodologies and a broader applicability is detailed, the following ISO rules fulfil the purpose of NERC MOD-025-2:

- Section 502.1 of the ISO rules, *Aggregated Generating Facilities Technical Requirements*;
- Section 502.5 of the ISO rules, *Generating Unit Technical Requirements*;
- Section 502.6 of the ISO rules, *Generating Unit Operating Requirements* (“Section 502.6”) and associated *Generating Unit Functional Document Submission Form with Guide*; and
- Section 502.16 of the ISO rules, *Aggregated Generating Facilities Operating Requirements*.

(collectively, “ISO generating unit rules”)

Additionally, the real and reactive power capabilities of generating units and aggregated generating facilities have already been determined through the application of Section 502.6 and Section 502.16, thus negating the 5 year implementation plan that would have been required for NERC MOD-025. The ISO generating unit rules do not have an explicit requirement for real power verification as required in NERC MOD-025-2. However, subsection 12 of Section 502.6 requires reactive power verification testing of the generating unit to be performed at the generating units maximum authorized real power, thereby implicitly verifying the real power capability of the generating unit. Such testing is required to be performed no later than once every 5 years. Similar provisions exist for aggregated generating facilities in subsection 12 of Section 502.16.

Therefore, the AESO is recommending that NERC MOD-025-2 be assessed as not applicable in Alberta.

### **AESO Consultation**

It is the AESO’s view that market participants are not likely to be directly affected by the proposed rejection of

NERC MOD-025-2. Accordingly, no formal consultation with market participants was undertaken<sup>1</sup>.

On April 12, 2018, and April 17, 2018, respectively, the AESO posted a notification and an amended notification in the AESO Stakeholder Newsletter informing market participants and other interested parties that it would not be consulting on the proposed rejection of NERC MOD-025-2, and would forward NERC MOD-025-2 to the Commission on April 26, 2018.

The AESO submits that its recommendation that the Commission reject NERC MOD-025-2 for adoption in Alberta complies with the requirements of the *Transmission Regulation*, is not technically deficient and is in the public interest.

### **Attachments to Forwarding Notice**

The following documents are attached to this Forwarding Notice:

1. [Copy](#) of NERC MOD-025-2;
2. [April 12, 2018 AESO Stakeholder Newsletter](#); and
3. [April 17, 2018 AESO Stakeholder Newsletter](#).

If you have any questions, please contact the undersigned.

Sincerely,

*“Maria Gray”*

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Attachments

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<sup>1</sup> Section 19(4) of the *Transmission Regulation* states that, before adopting or making reliability standard, “the ISO must consult with those Market Participants that it considers are likely to be directly affected”.