

January 16, 2018

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

**Re: Forwarding Notice – Proposed Retirement of Existing Alberta Reliability Standards:**

- a) **PER-001-AB-0.2, *Operating Personnel Responsibility and Authority***
- b) **TOP-007-AB-0, *Reporting System Operating Limit and Interconnection Reliability Operating Limit Violations*; and**
- c) **TOP-007-WECC-AB1-1, *System Operating Limit***

The Alberta Electric System Operator (“AESO”) recommends that the Commission approve the retirement of the following Alberta reliability standards pursuant to Section 19 of the *Transmission Regulation*:

- a) PER-001-AB-0.2, *Operating Personnel Responsibility and Authority* (“PER-001-AB-0.2”);
- b) TOP-007-AB-0, *Reporting System Operating Limit and Interconnection Reliability Operating Limit Violations* (“TOP-007-AB-0”); and
- c) TOP-007-WECC-AB1-1, *System Operating Limit* (“TOP-007-WECC-AB1-1”).

## Background

### Existing PER-001-AB-0.2

The purpose of existing PER-001-AB-0.2 is to ensure that the operating personnel of the AESO have the responsibility and authority to implement real time actions to ensure the stable and reliable operation of the bulk electric system. Existing PER-001-AB-0.2 is the Alberta corollary to the North American Electric Reliability Corporation (“NERC”) reliability standard PER-001-0.2, *Operating Personnel Responsibility and Authority*, which was retired by the NERC effective March 31, 2017. The NERC considered the statement by the Federal Energy Regulatory Commission (“FERC”), that a Reliability Coordinator’s<sup>1</sup> authority to issue directives arises out of the FERC’s approval of reliability standards that mandate compliance with such directives,<sup>2</sup> and applied this same logic to transmission operators and balancing authorities.

The AESO’s authority to issues directives and direct participants is embedded in Section 17(h) of the *Electric Utilities Act* (“EUA”) which mandates the AESO’s duty to direct the safe, reliable and economic operation of the interconnected electric system. Also embedded in the EUA is the requirement for market participants to comply with AESO directives. In addition, Section 301.2 of the ISO rules, *ISO Directives* provides that AESO system controllers may issue directives to a market participant and the market participant must comply with directives it receives, and Section 305.4 of the ISO rules, *System Security* requires the AESO to issue directives to prevent a threat to system security or to return the interconnected electric system to a safe and reliable state.

Consequently, the AESO is recommending the retirement of existing PER-001-AB-0.2.

<sup>1</sup> As per the NERC definition, Reliability Coordinator means “The entity that is the highest level of authority who is responsible for the Reliable Operation of the Bulk Electric System, has the Wide Area view of the Bulk Electric System, and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of Interconnection Reliability Operating Limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator’s vision.”

<sup>2</sup> FERC Order 693a, paragraph 112.  
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### Existing TOP-007-AB-0

The purpose of existing TOP-007-AB-0 is to ensure that interconnected reliability operating limit exceedances are being corrected within established timeframes. Existing TOP-007-AB-0 is the Alberta corollary to the NERC reliability standard TOP-007-0, *Reporting System Operating Limit (SOL) and Interconnection Reliability Operating Limit (IROL) Violations*, which was retired by the NERC effective March 31, 2017 based on a determination<sup>3</sup> that this reliability standard was redundant.

The AESO has determined that the requirements in existing TOP-007-AB-0 are addressed in the following:

- Alberta reliability standard IRO-009-AB-1, *Interconnection Reliability Operating Limits*; and
- Provisions within the AESO's *System Operating Limit Methodology for the Operating Horizon Version 4* which is mandated by Alberta reliability standard FAC-011-AB-2, *System Operating Limits Methodology for the Operating Horizon* ("FAC-011-AB-2").

Consequently, retiring existing TOP-007-AB-0 will have no impact to the reliability of the interconnected electric system and will keep Alberta better aligned to the suite of NERC reliability standards.

### Existing TOP-007-WECC-AB1-1

The purpose of existing TOP-007-WECC-AB1-1 is to ensure the AESO operates its major Western Electricity Coordinating Council ("WECC") transfer paths to established system operating limits. Existing TOP-007-WECC-AB1-1 is the Alberta corollary to the WECC regional reliability standard TOP-007-WECC-1a, *System Operating Limit*, which was retired by the NERC effective March 10, 2017 based on a determination<sup>4</sup> that this reliability standard was redundant.

The AESO has determined that the requirements in existing TOP-007-WECC-AB1-1 are addressed in the following:

- Alberta reliability standard IRO-005-AB-3.1a, *Reliability Coordination – Current Day Operations*;
- Alberta reliability standard INT-006-AB-2, *Response to Interchange Authority*; and
- Provisions within the AESO's *System Operating Limit Methodology for the Operating Horizon Version 4* which is mandated by FAC-011-AB-2.

Consequently, retiring existing TOP-007-WECC -AB1-1 will have no impact to the reliability of the interconnected electric system and will keep Alberta better aligned to the suite of NERC reliability standards.

### Summary of AESO Consultation

It is the AESO's view that market participants are not likely to be directly affected by the proposed retirements of existing PER-001-AB-0.2, TOP-007-AB-0 and TOP-007-WECC-AB1-1. Accordingly, no formal consultation with market participants was undertaken.<sup>5</sup>

On January 9, 2018, the AESO posted a notification in the AESO Stakeholder Newsletter informing market participants and other interested parties that it would not be consulting on the proposed retirements of existing PER-001-AB-0.2, TOP-007-AB-0 and TOP-007-WECC-AB1-1, and that it would be submitting a request to retire such Alberta reliability standards to the Commission on January 16, 2018.

### Proposed Effective Date

<sup>3</sup> FERC Docket No. RM15-16-000, Order No. 817, *Transmission Operations Reliability Standards and Interconnection Reliability Operations and Coordination Reliability Standards, Final Rule* (Issued November 19, 2015), pg 11.

<sup>4</sup> North American Electric Reliability Corporation Docket No. RD16-10-000, March 10, 2017.

<sup>5</sup> Section 19(4) of the *Transmission Regulation* states that, before adopting or making a reliability standard, "the ISO must consult with those Market Participants that it considers are likely to be directly affected".

The AESO recommends that the Commission approve the retirements of existing PER-001-AB-0.2, TOP-007-AB-0 and TOP-007-WECC-AB1-1 to become effective on the first business day of the week following approval by the Commission.

The AESO submits that the retirements of existing PER-001-AB-0.2, TOP-007-AB-0 and TOP-007-WECC-AB1-1 comply with the requirements of the *Transmission Regulation*, are not technically deficient and are in the public interest.

#### **Attachments to Forwarding Notice**

The following documents are attached to this Forwarding Notice:

1. [Copy](#) of existing PER-001-AB-0.2;
2. [Copy](#) of existing TOP-007-AB-0;
3. [Copy](#) of existing TOP-007-WECC-AB1-1; and
4. [Copy](#) of January 9, 2018 AESO Stakeholder Newsletter.

Should you have any questions or concerns, please do not hesitate to contact the undersigned.

Sincerely,

*"Maria Gray"*

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Attachments