

May 17, 2019

Sent via Email

Alberta Electric System Operator
Calgary Place
2500, 330-5th Avenue SW
Calgary, AB T2P 0L4
Email: Melissa.Mitchell-Moisson@aeso.ca

Attention: Melissa Mitchell-Moisson, Regulatory Administrator, Legal & Regulatory Affairs

Dear Ms. Mitchell-Moisson:

Re: AltaLink Management Ltd. (AltaLink) Concerns Regarding Proposed ISO Rule 502.17

AltaLink is writing with regards to the consultation on the proposed ISO Rule 502.17 (Rule), the comments provided by AltaLink and other market participants, and the responses received from the Alberta Electric System Operator (AESO). AltaLink has a number of concerns around ambiguity with respect to roles and responsibilities, terminology, and the potential financial and operational impact were the standard to be approved in its current form.

In discussions with other market participants, primarily transmission facility owners (TFO), there was significant confusion and concern around a number of terms and expectations. While not an exhaustive list, some examples included the definition of “orderwire”, expectations around backup power and its applicability throughout the network, the role of the AESO in coordinating a common system and supporting information, the expectations of the large service territory TFOs as it relates to facilitating the compliance of other market participants, and the implementation timeframe for a market participant to become compliant.

The Rule has significant implications for AltaLink as the only entity with the infrastructure to facilitate orderwire to the AESO. It seems from the current language of the Rule, that on top of AltaLink ensuring its own compliance, AltaLink will need to support the AESO and all relevant market participants who require orderwire, including the associated contracts, cost sharing arrangements, demarcation points, dialing plans if applicable, and other operational/technical considerations. There is currently no funding in place in AltaLink’s 2019-2021 General Tariff Application (GTA) and the cost has the potential to be significant, though still unclear as a result of the above listed ambiguities and uncertainties.

It is also unclear to AltaLink how an orderwire service was determined to be necessary for certain categories of market participant, versus for example satellite phone service. This determination should be a result of a cost, benefit, and risk evaluation.

In the response to AltaLink comment #3, the AESO states that AltaLink currently provides voice services to some market participants. This service is done on a best effort, best practice basis with no commitments, service level agreements, or compliance impact. Formally placing these services in a compliance framework changes AltaLink’s approach and willingness to accept this liability. The Rule does not specifically require AltaLink to provide infrastructure sharing or voice services, and as such AltaLink will need to do a full review of its operational capability to support others and AltaLink’s compliance risk tolerance. The outcome of that review could result in AltaLink no longer providing these services other than what is required for AltaLink’s own compliance. The AESO comments suggest a service model in

which TFOs continue to provide these services under 502.17, however that is not formally stated in the Rule. If this is indeed the AESO's expectation then there are clear differences in philosophy and a lack of alignment which will not result in a smooth or successful implementation of the Rule throughout the province.

In response to AltaLink comment #5, the AESO suggests that a satellite phone is not appropriate for a backup solution as it does not support large number of users, has high latency, and most market participants "already use orderwire today". This is based on two (2) assumptions: 1) that AltaLink is willing to take on the operational and compliance risk mentioned above versus having everyone use disparate self-managed voice systems, and 2) that there is existing control center to control center orderwire service in the majority of cases. Both of these assumptions are incorrect, which provides even more reason to return to the technical working group level to ensure the AESO fully understands the current state of AltaLink's, and other market participants', position on how this standard could be implemented successfully. It is unclear to AltaLink why the AESO has not suggested providing a coordinated central service offering given that the AESO has suitable voice infrastructure which is capable of providing such service.

In the current state, there is a high risk of market participants having vastly different interpretations and approaches to the Rule. As it stands, AltaLink (and ATCO) in particular as primary infrastructure operators would need to jeopardize AltaLink's own compliance programs in order to facilitate requests from other market participants to meet the short implementation timeline. As regulated utilities and responsible businesses, AltaLink cannot begin implementing solutions in order to comply with the Rule prior to Alberta Utilities Commission (AUC) approval, as such the suggestion that market participants have more than the 9 months to implement is not accurate nor prudent for regulated entities.

The technical working group that discussed the Rule through the second half of 2018 at no point in time reached consensus or even alignment in principal on what the Rule is mandating. No technology architecture or operational model was developed, even at a high level. For an operationally critical and complex interconnected system intended to provide coordination of many market participants, it is necessary to have these fundamentals in place prior to publication and approval. AltaLink has concerns that AUC Rule 017, specifically sections 6.1 and 6.2, may not have been fully satisfied by the AESO consultation process for the Rule. AltaLink proposes that the AESO re-engage the technical working group or form a consultation group to ensure alignment and that a workable solution is established in principal prior to seeking AUC approval of the Rule.

Yours truly,

(Original signed by)

Rick Spyker
Director, Maintenance Program Delivery

CC: Dan Shield, Director, Reliability and Technical Standards
Stephen VanderZande, Lead Engineer
Ping-Kwan Keung, Manager Standards Modelling and Engineering Services