

Alberta reliability standard	Stakeholder Comments and/or Alternative Proposal	AESO Replies
<p>New</p> <p>1. Are there any requirements contained in the proposed new ADM-002-AB-1 that are not clearly articulated? If yes, please indicate the specific section of the proposed new ADM-002-AB-1, describe the concern and suggest alternative language.</p>	<p>AltaLink Management Ltd. (“AML”)</p> <p>1. AltaLink appreciates the AESO’s willingness to allow waivers or variances to all Alberta Reliability Standards.</p> <p>As this is a rule subject to audit, what is the expectation of the AESO for evidence of compliance to the rule? Typically a rule would have a “Measures” section. AltaLink requests the rule be clear on what, if any, evidence (including any timelines) is required for audit.</p> <p>2. Section 4(2) should include an additional circumstance for which variance or waiver can be requested by adding, “would pose a security risk (physical or cyber) or security issue”.</p>	<p>1. The AESO has not proposed “Measures” as it does not intend to audit this reliability standard. The AESO is of the view that the subject matter of this reliability standard does not justify the regulatory burden associated with conducting audits and requiring market participants to retain evidence.</p> <p>2. To the extent that a physical security risk or issue has been identified, the AESO is of the opinion that the proposed ground (e) (“would pose a safety risk or safety issue”) would apply. In the case of a cyber security risk or issue, those matters are currently governed by the CIP-SUPP reliability standards.</p> <p>See the AESO’s reply #20. The AESO will include a review of the necessity for a specific security ground in conjunction with any future review of the CIP-SUPP reliability standards.</p>

	<p><u>ATCO Electric Ltd. (“ATCO or AE”)</u></p> <p>3. ATCO thanks the AESO for the opportunity to comment on this new Reliability Standard and believes this is a good improvement.</p> <p>As per Section 6, AESO is requesting waivers or variances to the ISO be in writing. AE suggests AESO to develop a template or form so MP’s can complete the request to ensure all relevant areas of concern are identified and requests are consistent similar to ISO Rule 103.14.</p> <p>4. As per Section 6, AE suggests that AESO includes the email location where the request is to be sent to avoid confusion.</p>	<p>3. The AESO intends to amend the current <i>Information Document #2020-007, Waiver and Variance Requests</i> to provide further details related to waivers and variances for reliability standards, including confirmation that market participants may use the same request form for requests related to both ISO rules and reliability standards.</p> <p>4. The AESO will include contact details in the information document. The AESO is of the opinion that contact details are more appropriately captured in an information document as updates to email addresses and phone numbers should be made without the formal regulatory process associated with a change to a reliability standard.</p> <p>The AESO intends to use the current Request for Information process to manage waiver and variance requests.</p>
	<p><u>Best Consulting Solutions Inc. (“BCSI”)</u></p> <p>5. No comment</p>	<p>5. The AESO acknowledges BCSI’s comment.</p>

	<p><u>Capital Power GP Holdings Inc. (“CPGPHI”)</u></p> <p>6. Capital Power supports the proposed evaluation process section (7), subject to the following additions / clarifications:</p> <ul style="list-style-type: none"> • Inclusion in the Alberta Reliability Standard (ARS) of a requirement for the applicant and the ISO to work collaboratively towards agreement on next steps and resolution to comply with the associated ARS should a waiver and variance be denied. • Clarification in the ARS of the dispute mechanism(s) available to the applicant should a waiver and variance request be denied. • Commitment from the AESO regarding estimated response timelines, as certain waivers and variance requests may be time sensitive and the entity may need to understand if a different course of action may need to be pursued. 	<p>6.</p> <p>a. Market participants are required to comply with applicable reliability standards pursuant to subsection 20.8 of the <i>Electric Utilities Act</i>. The proposed ADM-002-AB-1 does not grant a market participant the right to a waiver or variance, only the right to request one. A waiver or variance is determined at the sole discretion of the AESO. Any next steps to comply with an associated reliability standard if a waiver or variance is denied would be the same steps the market participant is expected to take to comply with the reliability standard in the normal course of business.</p> <p>b. The AESO is not obligated to grant waivers or variances with respect to reliability standard requirements and therefore it does not intend to develop a dispute resolution process to address instances of disagreement between the AESO and a market participant.</p> <p>c. While the AESO endeavours to advance all requests for a waiver or variance on a timely basis, the AESO reiterates the response it provided during consultation on Section 103.14 of the ISO rules, <i>Waivers and Variances</i> and is of the opinion that it is not feasible to include language in proposed new ADM-002-AB-1 requiring the AESO to provide an estimated timeline for consideration of a</p>
--	---	--

	<p>7. Capital Power generally agrees with the proposed content of a waiver or variance section (8), subject to the following additions / clarifications:</p> <ul style="list-style-type: none"> • With respect to 8(b), Capital Power requests clarification from the ISO for development of mitigation and remediation plans, and more specifically, whether this process will be led by the applicant or the ISO. If the ISO intends to lead the development of mitigation and remediation plans, Capital Power recommends that it seek input and involvement from applicants, including input on any milestones, as implementing solutions may require project planning and coordination of resources, pending availability. 	<p>waiver or variance request. While the AESO agrees that such information would be helpful to market participants, the number of variables involved in any given waiver or variance request, including the type of request, whether additional information is required, and the number of other requests currently being assessed, make it very difficult to give a reasonable estimate of the timeline for consideration.</p> <p>Subsection 7(c) of the proposed new ADM-002-AB-1 does, however, require the AESO to provide updates on the progress of waiver and variance requests. The AESO intends for this information to be of assistance to market participants in assessing whether a different course of action may need to be pursued.</p> <p>7. The AESO expects that the development of mitigation and remediation plans is primarily led by the applicant.</p>
--	--	---

	<p>8. Capital Power generally agrees with the proposed ongoing management of a waiver and variance section (9), subject to the following additions / clarifications:</p> <ul style="list-style-type: none"> • With respect item 9(3), Capital Power requests that the AESO clarify whether a revoked waiver or variance request would require the market participant or legal owner to re-file another waiver or variance request. Re-filing another waiver or variance request may create an administrative inefficiency for both the applicant and the AESO. Capital Power recommends that in the event of a revocation, the ARS include a requirement whereby: <ul style="list-style-type: none"> o The ISO and the legal owner or market participant may work and agree towards a mitigation or remediation plan, including milestones for implementation; and o The legal owner or market participant may submit a dispute with the ISO. • Additionally, with respect to 9(1) Capital Power requests clarification on what is considered a “material change”. While it may not be practical to define in the ARS the AESO should, at a minimum, include a description of “material change” in the associated Information Document including categories and examples of changes deemed “material”. • The AESO should consider adding provisions to the proposed rule that 	<p>8.</p> <p>a. When a waiver or variance is revoked, the AESO considers that matter closed. Any request for a new waiver or variance would require the market participant to submit a new request, including the updated information on which the request is based. However, there is nothing preventing a market participant from copying the previous request and updating it as required.</p> <p>See the AESO’s reply #6b.</p> <p>b. Given that ADM-002-AB-1 applies to all reliability standards, it is not practical to provide examples of what all the possible material changes might be. The AESO suggests that, if necessary, when a waiver or variance is granted, the market participant seek additional guidance from the AESO regarding material changes that are relevant to the specific situation.</p>
--	---	--

	<p>would allow applicants or legal owners to apply to extend an approved waiver or variance. That provision could involve another evaluation process, as necessary, but should not require another re-filing of a waiver and variance application.</p>	<p>c. As previously stated, the AESO intends to leverage the current RFI process as it relates to waivers and variances for ISO rules. As part of that process, the AESO already accepts requests for extensions to approved waivers and variances. Those requests do not require re-submission of all previous information but simply the updated information on which the request is based. The AESO is of the opinion that specific provisions do not need to be included in ADM-002-AB-1 to allow for this. If necessary, the AESO will include clarification in the related information document.</p>
--	--	--

	<p><u>ENMAX Corporation (“ENMAX”)</u></p> <p>9. Timeframe for AESO Response</p> <p>Similar to the comments that ENMAX submitted in 2019 regarding Section 103.4, Waivers and Variances, a commitment of time for the AESO to respond to a request should be included in ADM-002-AB-1, for example ~30 days. In order for participants to respond accordingly (based on the AESO’s decision), there could be impacts to maintenance, outages, and business operations at a facility.</p> <p>10. Transparency of AESO Decisions that Impact Other Participants</p> <p>If a request and resulting decision could assist other participants in their endeavor to comply with certain rules, and in the interest of maintaining operational and market reliability, the AESO should make that information public. However, there would be no benefit or reason of including the participant’s identity in the public notice, but rather just the information related to the request and decision.</p> <p>11. Clarity on the new ARS Category of “ADM”</p> <p>The AESO is introducing a new ARS category referred to as ADM, which appears different in format from the existing ARS. In light of this, ENMAX is of the view that a format similar to CIP-SUPPs (which have requirements, measures and use the same format as ARS) should be applied to this new category. Can the AESO also please confirm that ADM stands for “Administrative” and provide clarity on how it will be used?</p>	<p>9. See the AESO’s reply #6c.</p> <p>10. The AESO agrees and is working on developing and publishing consistent reporting in this regard.</p> <p>11. The AESO confirms that the “ADM” category of reliability standards is intended to be for administrative matters that are currently not addressed by NERC reliability standards. The AESO considers the <i>Interpretation</i> reliability standard to be similar to ADM-002-AB-1 and does not currently anticipate any further ADM reliability standards.</p> <p>Given that there are no measures proposed for this reliability standard and to further distinguish it as an Alberta-specific reliability</p>
--	---	---

		standard, the AESO proposes to maintain the current proposed format.
	<p><u>TransCanada Energy Ltd. (“TCE”)</u></p> <p>12. TCE is generally supportive of the proposed new ADM-002-AB-1.</p>	12. The AESO acknowledges TCE’s comment.

<p>2. Please provide any additional comments regarding the proposed new ADM-002-AB-1 If yes, please specify.</p>	<p><u>AltaLink Management Ltd. (“AML”)</u></p> <p>.13. Please clarify if this new standard applies to both existing and new ARS standards that are still in the consultation phase. Can a Market Participant use this mechanism to request waivers for either/both existing standards and new standards under development.</p> <p>14. Please provide information on the evaluation process to enable planning by Market Participants. For example, it would be helpful to provide expected timelines for submission requests, the provision of progress updates and written decisions upon completion of evaluations to better define process expectations for Market Participants.</p> <p>15. An AESO definition or information on “waiver” and “variance” to provide guidance for the conditions when a Market Participant would select either a waiver or a variance would be helpful.</p>	<p>13. ADM-002-AB-1 is intended to apply to all reliability standards outlined in the Applicability section. However, as with waivers and variances under the ISO rules, a market participant cannot submit a request for a waiver or variance until a reliability standard has been approved by the Commission (although the reliability standard does not need to be in effect).</p> <p>14. See the AESO’s reply #6.</p> <p>The challenges associated with providing a timeline for responding to requests also apply to providing timelines for the provision of progress updates and written decisions.</p> <p>15. The AESO is relying upon the common meaning of waiver and variance. A waiver would apply in the situation where a market participant is requesting a complete exemption from compliance with a particular requirement. A variance would apply in the situation where a market participant is making a request to do something different from the outlined requirement. For example, in a hypothetical testing scenario, a waiver would generally mean that the market participant is not required to conduct the testing, whereas a variance might require the market participant to complete testing twice a year instead of the original, required quarterly testing.</p>
--	--	--

		<p>Regardless, the AESO will not reject a request simply because it has been improperly identified as a waiver instead of a variance or vice versa.</p>
	<p><u>ATCO Electric Ltd. (“ATCO or AE”)</u></p> <p>16. AE is concerned that with this being a Reliability Standard that it will be subject to future ARS audits. If this new ARS does not apply to a Market Participant, what proof of evidence will RS Compliance be requesting to show in an audit. This should be identified in an ID so MP’s fully understand AESO auditor’s expectation.</p> <p>17. AE believes there should be an estimated timeline identified for AESO to respond back to the MP in order for the MP to be able to effectively plan for compliance to a Reliability Standard if a waiver or variance is not accepted.</p>	<p>16. See the AESO’s reply #1.</p> <p>17. See the AESO’s reply #6c.</p>

	<p><u>Best Consulting Solutions Inc. (“BCSI”)</u></p> <p>18. While the content and material within the proposed ADM standard seem appropriate and helpful to the industry, it is unnecessary to enact them in a reliability standard. The content of the standard is practically identical to the content of ISO Rules Section 103.14 Waivers and Variances. There does not appear to be any value in the segmentation of the waivers and variances process related to reliability standards from those related to ISO Rules.</p> <p>The creation of this standard, as opposed to a simple revision to the rule to include standards, flies in the face of the current red tap reduction that the AESO is engaged in. The creation of this standard is actually a red tape increase as parties will be required to manage all of the materials, requirements and evidence for this standard on an ongoing basis.</p> <p>This standard will create more work/effort for the AESO in monitoring compliance with this standard, which may well not be applicable to many entities. It also creates work and a compliance risk for the market participant as they must create and/or maintain evidence on a standard they may not have anything to do with. There is also the inherent difficulty of providing evidence that you did not request a waiver or variance, proving that you did not do something.</p>	<p>18. ISO rules and reliability standards are enabled by different legislative provisions and it is necessary and appropriate for them to be kept separate.</p> <p>The AESO does not agree that the creation of ADM-002-AB-1 creates any additional red tape. And, in fact, the AESO submits that this reliability standard promotes the objectives of the Government of Alberta’s red tape initiative by allowing the opportunity for industry cost savings that did not previously exist.</p> <p>See the AESO’s reply #1.</p>
--	--	--

	<p><u>Capital Power GP Holdings Inc. (“CPGPHI”)</u></p> <p>19. Capital Power is supportive of the intent of this standard and agrees that a waivers and variances mechanism will be valuable for use with the Alberta Reliability Standards.</p> <p>Confidentiality of requests and decisions:</p> <ul style="list-style-type: none"> • Waiver and variance requests may contain information that is commercially sensitive to the applicant and such information should remain confidential. In addition, any supporting documentation submitted to the AESO as part of the evaluation process should also remain confidential. Capital Power believes that the AESO, or any other regulatory authority, should exercise caution in the public disclosure of such information relating to an entities waiver or variance request (including application, supporting documents and result) to ensure the safety and reliability of the asset and the Interconnected Electric System. Capital Power recommend a provision in the ARS requiring that the AESO, or any other regulatory authority, must inform the legal owner / market participant in advance of any information disclosure to the public. <p>Capital Power notes the use of ID #2020-007, Waivers and Variances Requests to provide clarification on ISO Rule 103.14 and recommends that a similar ID be created for the Alberta Reliability Standard.</p>	<p>19. The AESO agrees that the protection of commercially sensitive information is important. Currently, Section 103.1 of the ISO rules, <i>Confidentiality</i> governs the AESO’s treatment of commercially sensitive information. The AESO is of the opinion that Section 103.1 adequately addresses Capital Power’s concerns.</p> <p>The AESO intends to update ID #2020-007, <i>Waivers and Variances Requests</i>, to provide guidance and material related to ADM-002-AB-1, including a proposed request form.</p>
--	---	---

	<p><u>TransCanada Energy Ltd. (“TCE”)</u></p> <p>20. In the interest of red-tape reduction, TCE questions whether this standard could replace one or both of the CIP-SUPP standards.</p> <p>For additional clarity, TCE recommends that, once this standard receives Alberta Utilities Commission approval, the AESO amend Information Document, Waivers and Variances Requests ID#2020-007 to references this standard.</p>	<p>20. In the interest of making waivers and variances for reliability standards available to market participants as quickly as possible, the AESO did not include a review of the CIP-SUPP reliability standards in the initial creation of ADM-002-AB-1. However, the AESO agrees that an analysis of whether ADM-002-AB-1 could replace the CIP-SUPP reliability standards is warranted. The AESO intends to review this matter in due course.</p>
--	---	---