

Introduction

On Nov. 4, 2021, the AESO hosted a stakeholder engagement session on the Evaluation of Most Severe Single Contingency (MSSC). The purpose of the session was to provide stakeholders with a foundational understanding of MSSC, review current limits of MSSC, present the AESO's evaluation of MSSC including explaining the AESO's methodology and assumptions used, and seek stakeholder feedback. Following the session, we sought written feedback; comment period ran from Nov. 4, 2021, to Nov. 30, 2021.

Participating stakeholders

We value stakeholder feedback, and we thank you for sharing your perspectives with us. We reviewed the submissions and developed a summary of common themes below.

The following 13 stakeholder organizations provided submissions:

1. AltaLink Management Ltd.
2. Capital Power Corporation
3. ENMAX Energy and ENMAX Power
4. Greengate Power Corporation
5. Heartland Generation Ltd.
6. Industrial Power Consumers Association of Alberta (IPCAA)
7. Market Surveillance Administrator (MSA)
8. MATL Canada L.P. & MATL LLP
9. NaturEner USA, LLC
10. Powerex Corp.
11. Suncor Energy Inc.
12. TC Energy Ltd.
13. TransAlta Corporation

View [stakeholder comments](#) and [Capital Power's economic and technical analyses](#) here or visit the AESO website at www.aeso.ca and follow the path: Grid > Grid-related Initiatives > Evaluation of MSSC.

Summary

Stakeholder comments and recommendations, and the common themes summarized here will be further assessed and considered to guide the development of a recommendation on future MSSC limits. The following is a high-level overview of feedback received following the stakeholder engagement session:

- The initiation of stakeholder consultation on MSSC evaluation and the information shared during the stakeholder session are appreciated. It would have been more helpful to have earlier or more frequent stakeholder engagement on this topic.
- Many stakeholders recommended that the AESO come up with a framework or plan to further evaluate and determine MSSC limit.
- The AESO may want to consider developing an options paper and then consult with stakeholders on the options paper.
- Stakeholders recommended that the AESO consider the following in the economic efficiency assessment for MSSC:
 - the benefits of MSSC increase,
 - other mitigation options,
 - evaluation of the long-term dynamics of the market,

- domestic competitive response to import limits,
- value of lost load
- The AESO may want to coordinate the MSSC evaluation and consultation with other AESO initiatives such as 2022 Long-term Plan consultation and the Ancillary Services market review in 2022.
- When performing annual MSSC review required by the North American Electric Reliability Corporation (NERC) version of BAL-002 Disturbance Control standard, some entities in the USA chose to review it with stakeholders.
- Some stakeholders expressed concerns that the AESO has changed its practice on managing MSSC, from considering the largest generator on the system to imposing MSSC limits. Some stakeholders expressed concerns that MSSC limits have implications on generator size/configuration and recommended that the AESO assess fair, efficient and openly competitive (FEOC) principle implications.
- Many stakeholders acknowledged that the overall cost/net benefits to consumers is among the key factors for evaluating MSSC.
- Some stakeholders shared their view that there are inconsistencies between generator and inertia treatment.
- In response to the question “If the MSSC limits are increased, who should bear the cost and why?” Some stakeholders shared their view that consumers should pay for any additional Ancillary Services. Other stakeholders suggested that cost causation principles should be applied.
- Some stakeholders recommended that the AESO consider the Inertia Restoration obligations. They expressed their view that if restrictions are imposed on the inertias, the inertias and their customers should be entitled to compensation.

Next steps

The AESO appreciates the feedback from stakeholders, acknowledging the consistent feedback for the AESO to provide a plan or options paper with additional information and analysis before proceeding with a decision on whether to change the MSSC limit in Alberta. The AESO will continue to consult with stakeholders on this initiative and plans to develop and publish an Options paper in Q3 2022. The Options paper will assess and evaluate whether to increase MSSC or maintain the status quo, and all options considered for increasing MSSC, if that is the recommended path forward. The AESO will seek stakeholder written feedback on the Options paper, and will host a stakeholder session targeting Q4 2022, which will provide stakeholders an opportunity to ask clarifying questions on the Options paper prior to submitting their comments. We look forward to your participation and continued engagement on this initiative.