

September 18, 2018

To: Market Participants and Other Interested Parties

Re: **Consultation Letter:**

1) Proposed New Alberta Reliability Standard PRC-002-AB-2, *Disturbance Monitoring and Reporting Requirements* (“new PRC-002-AB-2”)

2) Proposed Retirement of Existing Alberta Reliability Standard PRC-018-AB-1, *Disturbance Monitoring Equipment Installation and Data Reporting* (“existing PRC-018-AB-1”)

Section 19 of the *Transmission Regulation* requires the Alberta Electric System Operator (“AESO”) to consult with market participants likely to be directly affected by the AESO’s adoption or making of Alberta reliability standards, and also requires the AESO to forward the proposed Alberta reliability standards to the Alberta Utilities Commission (“AUC” or “Commission”) for review along with the AESO’s recommendation that the Commission approve or reject them.

Accordingly, the AESO is providing notice and seeking comments from market participants on the adoption of proposed new PRC-002-AB-2 and the retirement of existing PRC-018-AB-1.

Applicability

The proposed new PRC-002-AB-2 is applicable to the following:

- (a) the legal owner of a transmission facility that is part of the bulk electric system;
- (b) the legal owner of a generating unit that is part of the bulk electric system;
- (c) the legal owner of an aggregated generating facility that is part of the bulk electric system; and
- (d) the AESO.

The existing PRC-018-AB-1 is applicable to the following;

- (a) the legal owner of a transmission facility that owns disturbance monitoring equipment as identified in the list of *Disturbance Monitoring Equipment Locations* as required in requirement R1, as published by the AESO on the AESO website and as amended from time to time by the AESO on notice to market participants;
- (b) the legal owner of a generating unit that owns disturbance monitoring equipment as identified in the list of *Disturbance Monitoring Equipment Locations* as required in requirement R1, as published by the AESO on the AESO website and as amended from time to time by the AESO on notice to market participants;
- (c) the legal owner of an aggregated generating facility that owns disturbance monitoring equipment as identified in the list of *Disturbance Monitoring Equipment Locations* as required in requirement R1, as published by the AESO on the AESO website and as amended from time to time by the AESO on notice to market participants; and
- (d) the AESO.

Background

The purpose of proposed new PRC-002-AB-2 is to ensure that adequate data is available to the AESO, the Western Electricity Coordinating Council, and the North American Electric Reliability Corporation

("NERC"), in order for them to facilitate analysis of bulk electric system disturbances. Proposed new PRC-002-AB-2 is intended to;

- promote consistency of data by specifying recording data parameters;
- enhances reliability through monitoring and reporting requirements for sequence of events recording data and fault recording data; and
- ensures that the AESO is aligned with the neighboring Reliability Coordinators that are already following NERC PRC-002-2 requirements.

The second version of NERC PRC-002-2, *Disturbance Monitoring and Reporting Requirements* ("NERC PRC-002-2") has been in effect since July 2016. Until now, the AESO has ensured that adequate disturbance data is available by relying on the requirements of PRC-018-AB-1 and by issuing functional specifications or direction letters to the legal owner of a transmission facility, generating facility, or aggregated generating facility to install disturbance monitoring equipment. However, the AESO recommends adopting this PRC-002-2 in Alberta to ensure that all disturbance monitoring equipment is consistent and also to align with neighbouring Reliability Coordinators. In some cases, the AESO may require additional functionalities from disturbance monitoring equipment beyond that which is specified in proposed new PRC-002-AB-2. In such circumstances, the AESO will continue to rely on functional specifications or direction letters to satisfy the AESO's reliability needs.

The requirements for disturbance monitoring equipment in proposed new PRC-002-AB-2 cover similar requirements to those in existing PRC-018-AB-1. Accordingly, existing PRC-018-AB-1 will be retired once PRC-002-AB-2 has been fully implemented. Appendix 2 of PRC-002-AB-2 sets out a phased implementation plan pursuant to which all of the requirements of proposed new PRC-002-AB-2 will become effective as the requirements of existing PRC-018-AB-1 are retired. The entire existing PRC-018-AB-1 will be retired 6 years after the effective date of proposed new PRC-002-AB-2.

Summary of Proposed Changes

In developing the proposed new PRC-002-AB-2, the AESO determined that certain administrative amendments were required in order to ensure that NERC PRC-002-2, is capable of being applied in Alberta and does not require a material change in the framework for the market for electric energy. A summary of the administrative amendment are as follows:

Administrative amendments:

- The NERC PRC-002-2 "Applicability" section has been redrafted, in order to correctly identify the applicable entities in Alberta, and to align with terms included in the AESO's [Consolidated Authoritative Document Glossary](#) ("CADG"), in order to ensure the proposed new PRC-002-AB-2 are capable of application in Alberta.

In addition, the AESO made amendments to ensure consistent use of defined terms as included in the AESO's CADG. Administrative changes, such as formatting and grammatical corrections, have also been made in the proposed new PRC-002-AB-2.

Defined Terms

When reviewing the attached proposed new PRC-002-AB-2 and retirement of existing PRC-018-AB-1, market participants should note that all defined terms appear **bolded**. Market participants and other interested parties are encouraged to refer to the AESO's CADG when reviewing proposed Alberta reliability standards to ensure they have an accurate understanding of those defined terms.

Implementation of Alberta Reliability Standards

In accordance with Section 19 of the *Transmission Regulation*, the reliability standards that apply in Alberta are those of the Electric Reliability Organization ("ERO") or any other reliability standards, to the extent that such reliability standards are adopted by the AESO after consultation with market participants and after receipt of Commission approval. The NERC was certified as the ERO for the United States by the Federal Energy Regulatory Commission under the US *Energy Policy Act* of 2005. Further, the NERC was recognized

as the ERO by the Minister of Energy in Alberta.

Alberta reliability standards and definitions proposed for approval or rejection by the AESO are developed:

- (a) based on the reliability standards and definitions of the NERC; or
- (b) to amend, supplement or replace the NERC reliability standards or definitions.

For more information on the AESO's reliability standards, visit the AESO website at www.aeso.ca and follow the path Rules, Standards and Tariff > Alberta Reliability Standards.

Request for Comment

Please use the attached *Market Participant Comment Matrix* when submitting comments to the AESO. Only written comments will be considered in finalizing proposed new PRC-002-AB-2 and the retirement of existing PRC-018-AB-1. Market participants should ensure that comments provided represent all interests within their organization. The scope of comments is limited to proposed new PRC-002-AB-2 and the retirement of existing PRC-018-AB-1. Any comments received that are outside of this scope will not be considered by the AESO.

Market participants are asked to provide comments no later than **October 3, 2018** to ars_comments@aeso.ca. Adherence to deadlines is essential to the integrity of the Alberta reliability standard comment process. As such, any market participant comments received after October 3, 2018 may not be published, replied to, or otherwise considered by the AESO.

The AESO will be publishing all comments received for industry review in October 2018. The AESO expects to publish replies to the comments with the final proposed new PRC-002-AB-2 and retirement of existing PRC-018-AB-1 in November.

If the AESO does not receive comments regarding proposed new PRC-002-AB-2 and the retirement of existing PRC-018-AB-1, the AESO expects to forward the proposed new PRC-002-AB-2 and retirement of existing PRC-018-AB-1 to the Commission in October, along with its recommendation that the Commission approve the proposed new PRC-002-AB-2 and retirement of existing PRC-018-AB-1 to become effective as set out in Appendix 2 – *Implementation Plan* of the proposed new PRC-002-AB-2.

Attachments to Consultation Letter

The following documents are attached:

1. [Market Participant Comment Matrix](#) for proposed new PRC-002-AB-2;
2. [Clean copy](#) of proposed new PRC-002-AB-2;
3. [Market Participant Comment Matrix](#) for the proposed retirement of existing PRC-018-AB-1; and
4. [Clean copy](#) of existing PRC-018-AB-1.

Sincerely,

“Melissa Mitchell-Moisson”

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Attachments