

# Alberta Reliability Standards (ARS) Compliance Monitoring Information Session

October 26, 2021

- Two ways to ask questions if you are accessing the webinar using your computer or smartphone
  - Click “Raise Hand” and the host will be notified that you would like to ask a question. The host will unmute your microphone, you in turn will need to unmute your microphone and then you can ask your question. Your name will appear on the screen, but your camera will remain turned off.
  - Click “Lower Hand” to lower it if needed.
  - You can also ask questions by tapping the “Q&A” button and typing them in. You’re able to up-vote questions that have been already asked.
- If you are accessing the webinar via conference call
  - If you would like to ask a question during the Q&A portion, on your phone’s dial pad, hit \*9 and the host will see that you have raised your hand. The host will unmute your microphone, you in turn will need to unmute your microphone by hitting \*6 and then you can ask your question. Your number will appear on the screen.

# Welcome and Introductions

**Daniela Cismaru**

- To review new technology, tools and documentation related to the ARS Compliance Monitoring Program including:
  - **Self-Certification Portal** | A online portal which serves as a mechanism to exchange information to the AESO
  - **Advanced Self-Certification** | An additional tool for assessing compliance with new standards during self-certification
  - **Documentation** | Updates to documentation including format changes to draft and final report, areas of concern and observation reports, and removal of exception and periodic reporting from the Compliance Monitoring Program

Time	Agenda	Presenter
8:30 – 8:40	Housekeeping, purpose, and agenda	Daniela Cismaru
8:40 – 8:55	Opening Remarks	Pauline McLean
8:55 – 9:40	External Compliance Monitoring – Self-Certification Portal	Nicole Poulin
9:40 – 10:45	Advanced Self-Certification (ASC) and CMP Changes	Cameron Chung
10:45 – 10:55	Break	
10:55 – 11:55	ARS Updates and Lessons Learned	Joan Gaerlan
11:55 – 12:00	Closing Remarks	Peter Wong & Daniela Cismaru

# Registrants (as of Oct. 19, 2021)

- Alberta Newsprint
- ALPAC
- AltaLink
- Best Consulting
- BluEarth Renewables
- Cancarb
- Canfor
- Capital Power Corporation
- Cenovus
- City of Lethbridge
- City of Medicine Hat
- City of Red Deer
- CNOOC
- CNRL
- CognitiveTech
- Constellation
- Customized Energy Solutions
- DePal Consulting Limited
- DOW Chemical Canada ULC
- Enbridge
- Enel North America
- ENMAX
- Exelon
- ExxonMobil
- FortisAlberta
- Grid SME
- Heartland Generation
- IPCAA
- Lionstooth Energy Inc.
- Market Surveillance Administrator
- Nova Chemical
- Pieridae Energy
- Public
- Skookum Power
- Suncor
- TC Energy
- TransAlta
- West Fraser

# Opening Remarks

**Pauline McLean**

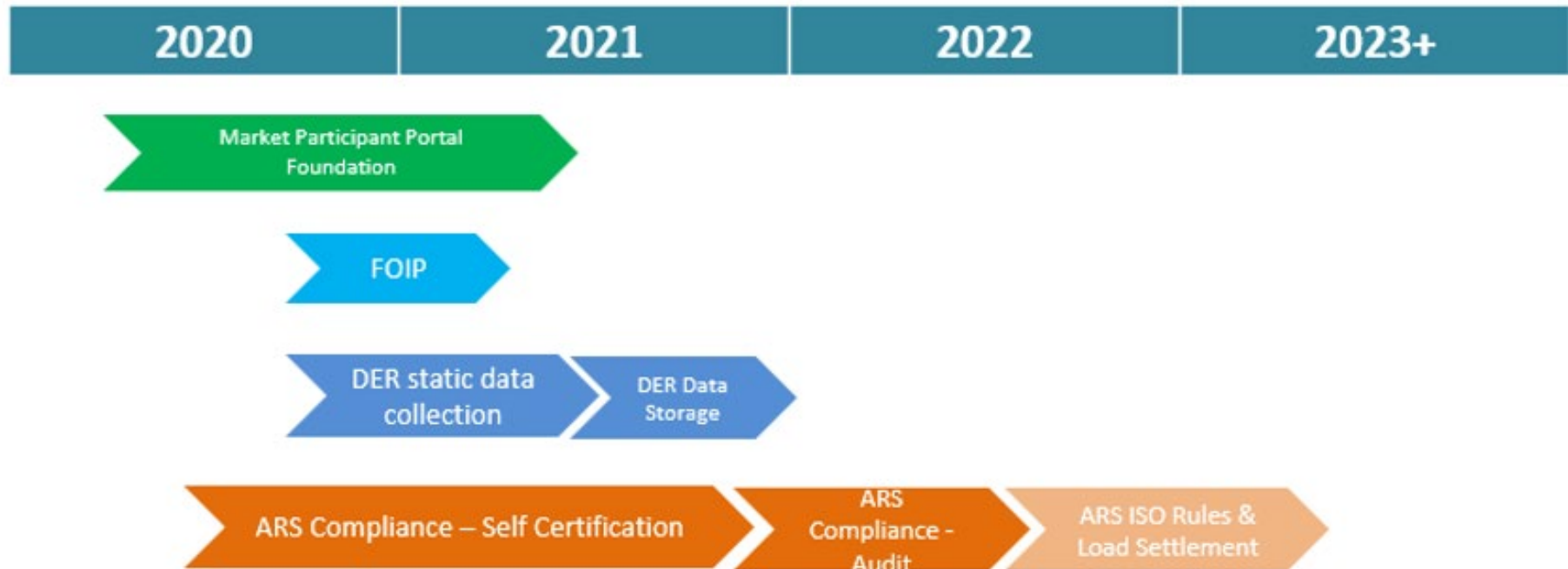
**Vice President, Law, General Counsel & Corporate  
Secretary**

# External Compliance Monitoring (ECM) Self-Certification Portal

Nicole Poulin



- A step on the path of digital transformation creating a unified user experience
- A unified entry point for external stakeholder and AESO interaction:
  - Access to information & services
  - Secure data exchange



## Drivers

- New Self-Certification Portal utilizes current technology and ensures secure information exchange
- The self-certification macro-enabled spreadsheet had several issues:
  - Embedded macros were blocked by many organizations
  - Transfer of information/attachments through email
  - Created 10+ years ago and does not utilize modern technology
  - Slow and unresponsive at times

## Objectives

1. Provide secure and streamlined data access and management
2. Improved functionality
3. Use of technology to enhance the self-certification compliance experience

# ECM Self-Certification Portal – Process



## Prior (Template)

**COMPLIANCE MONITORING PROGRAM**  
**Alberta Reliability Standards**  
**Self-Certification - Cover Sheet**  
**Confidential**

Once you have completed the form below, click on the button to the right to generate the Self-Certification Letter → **Generate Self-Certification Letter**

Please provide your entity name below

Self-Certification For: [Legal name of the registered market participant]

Please provide the Self-Certification period and the Functional Entity types below

Self-Certification Period: [Start date: MMM DD, YYYY] TO [End date: MMM DD, YYYY]

Functional Entity Types:

1	7	13
2	8	14
3	9	15
4	10	16
5	11	17
6	12	18

In the spaces provided next to the numbers on the right, select all functional entity types that are included in this Self-Certification.

Reported By:

Please ensure that the contact information reflects one of the individuals listed on the AES Registration Form

[Name] [Phone] [Email] [Title]

Cover Sheet



Applicable Standards



Officer Certificate



## New (Portal)

AESO Apps

Search

New Self Certification - Unsaved

Self-Certification Business - Active for less than one m... Initiate (< 1 Min) Authorizing Officer Submitted To AESO Assessment Complete Close

General Applicable Stds Communication Channels ZIP Files Documents

Self-Certification For: [Legal name of the registered market participant] Cycle # 1

DOP Information

Self-Certification Period Begin Date: 1/1/2021 Self-Certification Period End Date: 12/31/2021

Submission Deadline: 1/31/2022 Late Submission: No

Additional Comments

AESO Apps

Search

AESO SCI-C22021-AECO - Saved

Self-Certification Business - Active for less than one m... Initiate (< 1 Min) Authorizing Officer Submitted To AESO Assessment Complete Close

General Applicable Stds Communication Channels ZIP Files Documents Related

Applicable Standards

Standard Number	Name (SC A...)	MPs FE	Requirement	Effective En...	Effective En...	Applicability	Fully Compl...	Non-Compl...	Violation Ty...	Additional Comments	Error	Error Messa...	Link
EOP-003-AB1-1	Load Shed...	Market Part...	R1.1	12/17/2012	12/31/2099						Yes	Required f...	https://aes...
EOP-003-AB1-1	Load Shed...	Market Part...	R11	12/17/2012	12/31/2099						Yes	Required f...	https://aes...
PRC-021-AB1-1	Under Volt...	Market Part...	R3	1/2/2013	12/31/2099						Yes	Required f...	https://aes...

1 - 3 of 3

**COMPLIANCE MONITORING PROGRAM**  
**Alberta Reliability Standards**  
**Self-Certification - Applicable Standards**  
**Confidential**

Standard Number	Name (SC A...)	MPs FE	Requirement	Effective En...	Effective En...	Applicability	Fully Compl...	Non-Compl...	Violation Ty...	Additional Comments	Error	Error Messa...	Link
EOP-003-AB1-1	Load Shed...	Market Part...	R1.1	12/17/2012	12/31/2099						Yes	Required f...	https://aes...
EOP-003-AB1-1	Load Shed...	Market Part...	R11	12/17/2012	12/31/2099						Yes	Required f...	https://aes...
PRC-021-AB1-1	Under Volt...	Market Part...	R3	1/2/2013	12/31/2099						Yes	Required f...	https://aes...

**OFFICER'S CERTIFICATE**

TO: Independent System Operator operating as AESO ("AESO")

FROM: [ABC Company Limited]

RE: Self-Certification for the Alberta Reliability Standards Compliance Monitoring Program

The undersigned, being the [Insert Title] of [ABC Company Limited] hereby certifies for and on behalf of [ABC Company Limited] that:

- [ABC Company Limited] is familiar with and understands the self-certification process as provided in Section 6.2 of the Alberta Reliability Standards Compliance Monitoring Program (the "Self-Certification Process").
- [ABC Company Limited] has completed the Self-Certification Process including:
  - determining its compliance with all applicable Alberta reliability standards approved by the Alberta Utilities Commission pursuant to Section 17 of the Transmission Regulator;
  - completing this Officer's Certificate together with the cover sheet and the applicable standards identified as applicable (collectively referred to as the "Self-Certification") in accordance with the Self-Certification Process;
- [ABC Company Limited] understands the implications of the Self-Certification not being:
  - complete, accurate or true; or
  - provided to the AESO on or before the self-certification due date as stated in notification letters provided by the AESO to [ABC Company Limited].

as set forth in Section 6.2 of the Alberta Reliability Standards Compliance Monitoring Program.

7. To the best of the undersigned's knowledge and information, based on the foregoing process undertaken by [ABC Company Limited], the Self-Certification is complete, true and accurate.

Signed at [City/Town], [Province/State] the [DD] day of [Insert Month], 201[YY].

Name: [Insert Name]  
 Title: [Insert Title]

Officer Certificate - Cenovus Energy Inc.

General Release

Independent System Operator operating as AESO

Cenovus Energy Inc.

Self-Certification for the Alberta Reliability Standards Compliance Monitoring Program

The undersigned, being the [Insert Title] of [ABC Company Limited] hereby certifies for and on behalf of [ABC Company Limited] that:

- [ABC Company Limited] is familiar with and understands the self-certification process as provided in Section 6.2 of the Alberta Reliability Standards Compliance Monitoring Program (the "Self-Certification Process").
- [ABC Company Limited] has completed the Self-Certification Process including:
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  - complete, accurate or true; or
  - provided to the AESO on or before the self-certification due date as stated in notification letters provided by the AESO to [ABC Company Limited].

as set forth in Section 6.2 of the Alberta Reliability Standards Compliance Monitoring Program.

7. To the best of the undersigned's knowledge and information, based on the foregoing process undertaken by [ABC Company Limited], the Self-Certification is complete, true and accurate.

Signed at [City/Town], [Province/State] the [DD] day of [Insert Month], 201[YY].

Name: [Insert Name]  
 Title: [Insert Title]

Self-certification declaration process stays the same!

# ECM Self-Certification Portal

## *Benefit: Cyber Security*

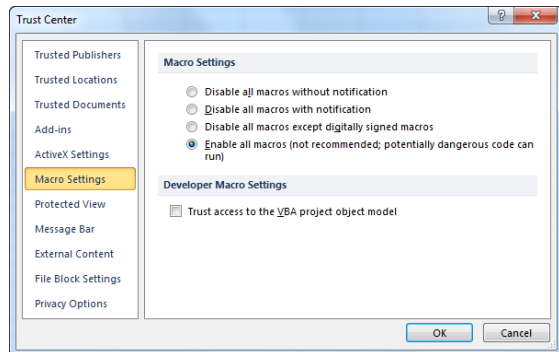
- **Transit**
  - Secure medium to exchange information (SharePoint)
- **Storage**
  - ZIP functionality for documents/artifacts
- **Deletion**
  - Automatic purge of information from Portal after closure



# ECM Self-Certification Portal

## *Benefit: Cyber Security*

### Prior



### New



General	Applicable Stds (Bulk)	Communication Channels	<b>ZIP Files</b>	Documents	Related
Initiated On	Completed On	Download Status			
3/25/2021 4:09 AM	3/25/2021 4:20 AM	Completed			
3/25/2021 4:43 AM	3/25/2021 4:57 AM	Completed			
3/29/2021 11:14 AM	3/29/2021 8:33 PM	Completed			
3/30/2021 3:33 AM	3/30/2021 3:48 AM	Completed			

AESO SC2-C12021-TEST **Purge** Successful CRM:0250146

SVC-Azure\_AesoIntegPortal\_Notify  
To: Reliability Standards Compliance

AESO SC2-C12021-TEST documents **purge** from the portal was SUCCESSFUL. Purged at 09/17/2021 03:50:53.

# ECM Self-Certification Portal

## *Benefit: Access Management*

- Primary, alternate and officer contacts will be given access
- Access is based on current registration form (no change to registration process)
- Aligns with ISO Rules 103.1 and 103.12



# ECM Self-Certification Portal

## *Benefit: Access Management*



### Prior

Please provide contact information below.

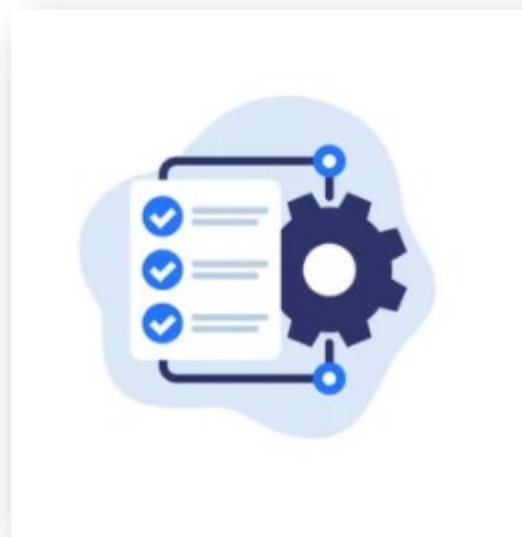
<p><b>Reported By:</b></p> <p>Please ensure that the contact information reflects one of the individuals listed on the ARS Registration Form</p>	<p>[Name]</p>	
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### No Change

### New

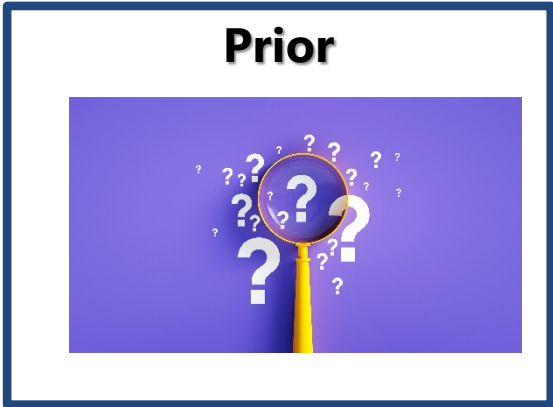


- Embedded workflow mirrors the current self-certification process
- Inclusion of milestones and confirmation of the self-certification's closure



# ECM Self-Certification Portal

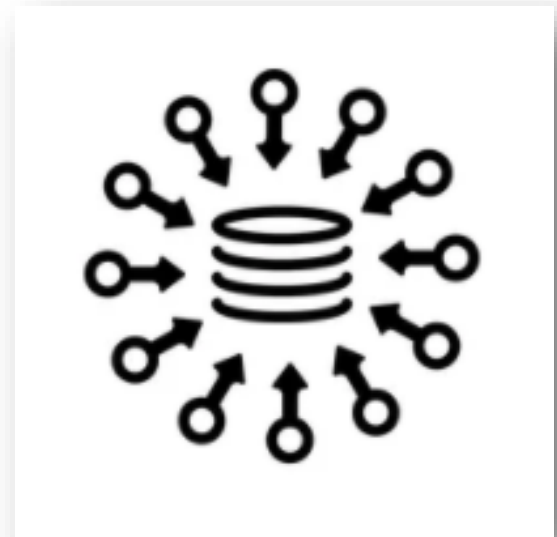
## *Benefit: Workflow*



### New

A screenshot of the AESO Self-Certification portal interface. At the top, the title "AESO SC1-C12021-CEI Self Certification" is displayed. Below the title is a progress bar with five stages: "Self Certification Business..." (Active for 3 days), "Initiate", "Authorizing Officer (24 Min)", "Submitted To AESO", "Assessment Complete", and "Close". The "Authorizing Officer" stage is currently active, indicated by a red circle and a red line connecting it to the "Initiate" stage. A tooltip is visible over the "Authorizing Officer" stage, showing "Active for 24 minutes" and a "Next Stage" button with left and right arrows. Below the progress bar, there are tabs for "General", "Applicable Stds", and "Communication Channels". The "General" tab is selected, showing a form with fields for "Self Certification For" and "DDP Information".

- Up-to-date company registration and master standards list information
- Integration of registration information into self-certification forms
- Additional filtering capability
  - Flexibility on how to view/access data
- Error checking
  - Fewer administrative errors during submission



# ECM Self-Certification Portal

## Benefit: Data

### Prior

- Wrong template version
- Company name does not match
- Missing functional entities
- Incorrect selections (e.g., Applicability)



Reliability Standard Number	Reliability Standard Name	Requirement Number	Applicable To	Effective Begin Date	Effective End Date	Applicability	Fully Compliant (for entire period)	Non-Compliant (violation for part of period)	Violation Type Source
<b>Critical Infrastructure Protection</b>									
CIP-002-AB-5.1	Cyber Security - BES Cyber System Categorization	R1	Legal owner of an aggregated generating facility	10/1/2017	12/31/2019	Not Applicable - Self-Assessed	No	Compliant for Part of the Period	Previous Self-Report to MSA
CIP-002-AB-5.1	Cyber Security - BES Cyber System Categorization	R1.1	Legal owner of an aggregated generating facility	10/1/2017	12/31/2019	Applicable	No	Compliant for Part of the Period	Previous Self-Report to MSA

NOD = notification of deficiency

### New

The screenshot shows the AESO Self-Certification portal. The main area displays a list of applicable standards with columns for Standard Number, Name, and MP's FE. Three standards are selected: EOP-003-AB1-1, EOP-003-AB1-1, and PRC-021-AB1-1. A right-hand panel titled 'Edit 3 records' allows for editing the selected records. The panel includes fields for 'Applicable Standard', 'MP's FE', 'Applicability', 'Fully Compliant', 'Non-Compliant (violation for part of period)', 'Violation Type Source', and 'Additional Comments'. An 'Error Message' field is also present.

# ECM Self-Certification Portal

## *Benefit: Current Technology*

- Web-based
  - Can be accessed with internet, browser and approved login
- Communication channel
  - Send messages and attach documents
- Email notifications of milestones and important information
- Export to excel functionality available



# ECM Self-Certification Portal

## Benefit: Current Technology

### New

The screenshot shows a web browser window with the URL `https://aeso-portal-integ.crm3.dynamics.com/main.aspx?appid=c2...`. The page title is "Information Request - SC1-C22021-IR1 - Saved" under the "ARS Communication Channel". The left sidebar contains navigation items: Home, Recent, Pinned, ARS, MP Registration, Self Certification, Communication Cha..., ARS Master List, and Functional Entity Typ... The main content area shows details for the information request:

- ARS Team: ARS Analyst
- Other Party: [Redacted]
- Compliance Process Number: AESO SC1-C22021-AECO
- Subject: Information Request - SC1-C22021-IR1

The Timeline section includes a search bar, a note entry field, and a notification: "Note modified by [Redacted] IR#1 Please see attached information request due by Oct 31, 2021 in Document Tab" dated 3:13 PM.

The screenshot shows an email titled "New Communication For Self Certification - AESO SC1-C22021-AECO CRM:0250198". The sender is "SVC-Azure\_AesoIntegPorta\_Notify" to "Reliability Standards Compliance". The email body states: "gmail.com, has sent a communication 'Information Request - SC1-C22021-IR1' to AESO SC1-C22021-AECO in Initiate . Please go to the ARS Compliance Portal for further action. Note: This is a system generated email. Please do not reply."

The screenshot shows an "Upload Documents" dialog box with the following fields and options:

- File Upload:  No file chosen
- Maximum upload limit in Dynamics 365 is 50,000MB. Larger files can be uploaded directly in SharePoint.
- Overwrite existing files:  Yes
- Buttons:

1. Initial development of business requirements including consideration of areas of improvement from previous template
  2. Rigorous user-acceptance testing internally between multiple users and different roles within the Portal
  3. In-depth user guide vetted by internal and external parties
  4. Market functionality testing to ensure the portal worked on external premises for different functional entity types and compliance documentation designations
- ❖ **Special thanks** to AltaLink, ATCO, EPCOR, ENMAX and TransAlta for the time and effort in testing this functionality

## The Roll-Out

1. Will be staggered following the assigned self-certification cycle.
2. Starts with Cycle 1 – 2022 and the option to use the prior spreadsheet or the new Portal *for Cycle 1 only*.
3. After Cycle 1 – 2022, all submissions are expected to be through the Portal.



- **AESO Portal Training Sessions**
  - Late November
  - Late January
- **Training Material**
  - Updated Self-Certification Guide – incorporates the new processes for Portal and Advanced Self-Certification
  - New Portal User Guide – in-depth "how-to" use the Portal and applications
- **Self-Certification Workshops**
  - Workshops will occur prior to the submission window for each cycle and include content on the use of the application

# Questions

# Advanced Self-Certification (ASC)

**Presenter & Team Member:**

- Cameron Chung - Sr. Specialist Compliance Monitoring

**Project Team Members & Sponsors:**

- Daniela Cismaru – Manager of Compliance Reliability Standards
- Peter Wong – Director of External Compliance Monitoring

- Why?
- What is Advanced Self-Certification (ASC)?
- How does ASC fit in the Compliance Monitoring Program (CMP)?
- Highlights
- Process
- Impact on Future Audit
- Key Benefits – Market
- Key Benefits – AESO
- Important Timelines
- Questions
- CMP Update

- Responding to compliance trends
- AESO External Compliance Monitoring (ECM) continuous improvement initiative
- ECM's ongoing examination of NERC practices and their compliance oversight tools

- Specifically:
  - High failure rate of new standards
  - There is considerable market demand for compliance feedback regarding new reliability standards
  - There are potential for hidden structural compliance issues that will not be discovered until scheduled audits, which could be more than three (3) years

**Within the existing legislated and regulatory framework, what can the ECM do to help the market address the identified trends?**

- A new initiative, under the current self-certification tool, included in the 2021 Compliance Monitoring Program (CMP) update
- Loosely based on the “Guided Self-Certification” programs in the US
- Developed to address the observed higher rate of non-compliance to new standards within the existing framework
- Voluntary opportunity for the Market Participant (MP) to collaborate with the AESO to reduce the observed increased failure rate of newly introduced reliability standards

# How does ASC fit in the CMP?



Scheduled Audit



**Self-Certification**



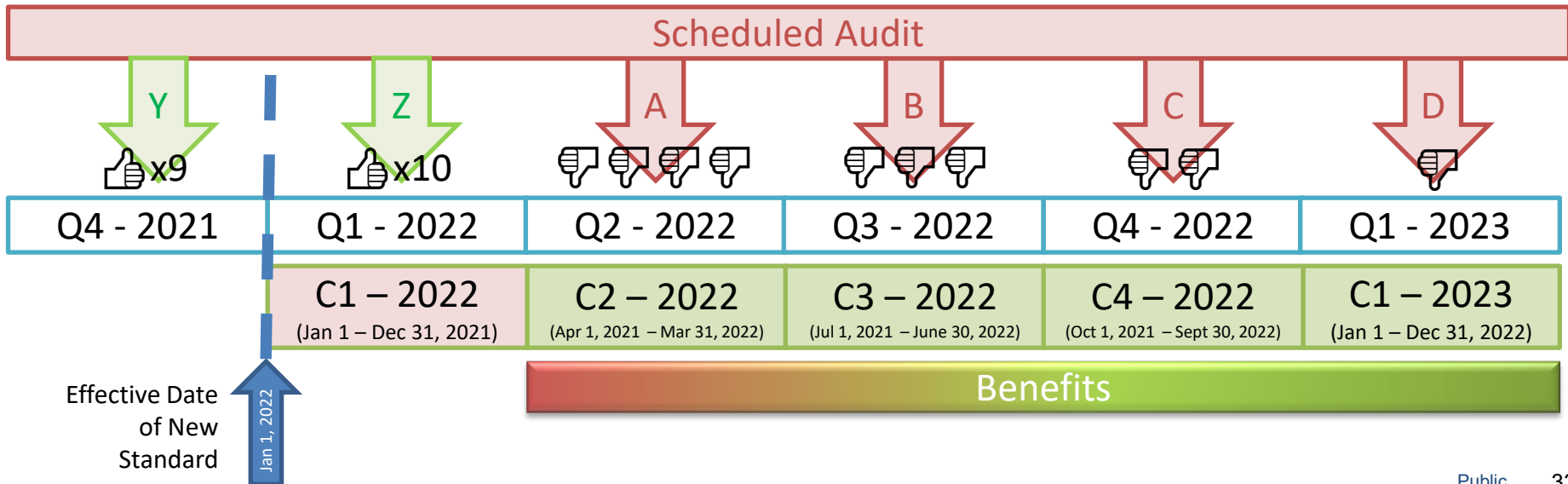
Spot Audit





# ASC - Highlights

- It is **voluntary** and is encouraged for MP with the next scheduled audit greater than 12 calendar months from their next self-certification
- It is only available for the first self-certification cycle after the effective date of an available standard or requirement
  - Applicable standards and requirements will be defined by the AESO for each self-certification cycle



- Embedded in the current self-certification program following MP's self-certification assignments and cycle timelines
- Pertains only to new or significantly changed versions of ARS
  - The list of standards and requirements will be announced by the AESO via its website

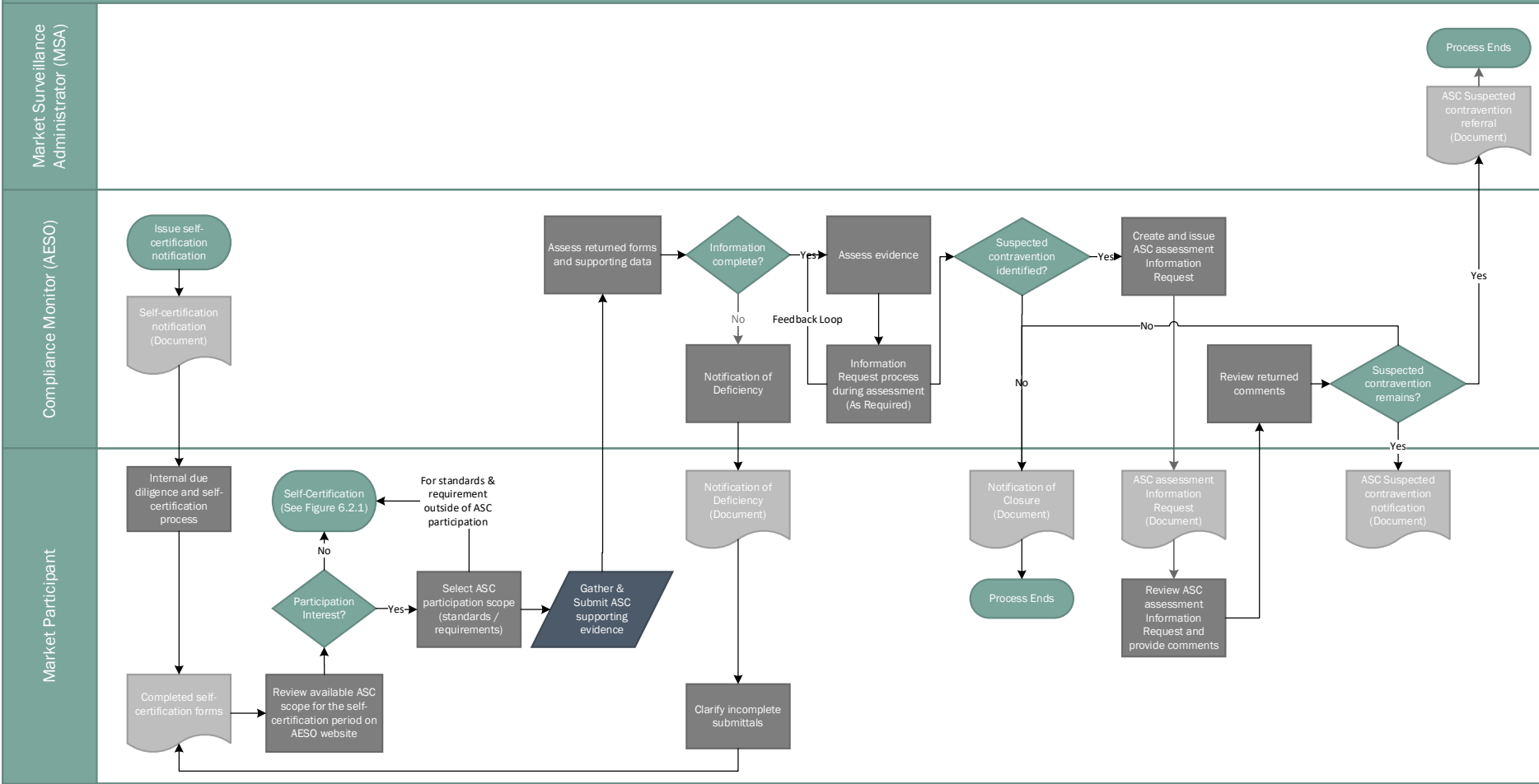
## Important Clarification

- The current self-certification (Declaration) remains **mandatory** for MPs who do not wish or are unable to participate in the ASC option
- For ASC participants, self-certification (Declaration) remains **mandatory** for standards and requirements outside of their ASC participation

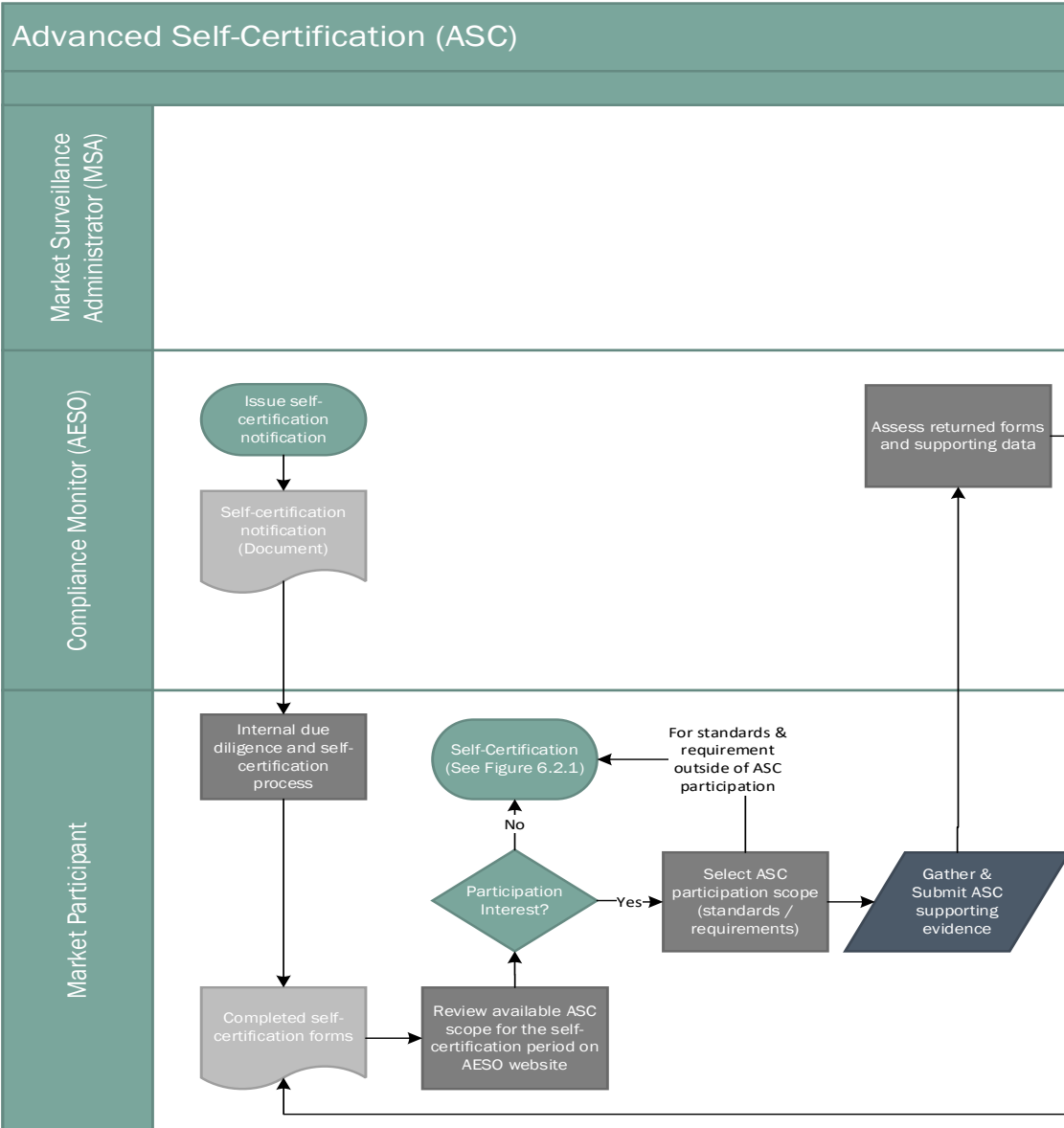
- ASC methodology is based on Sections 4 and 11 of ISO Rule 103.12.
  - Section 4 – Information Requests
  - Section 11 – Referral to the Market Surveillance Administrator
- Main Steps of ASC
  - MP voluntarily submits evidence (RSAW) for AESO's review at the self-certification time
  - Information request (IR) process will be used to clarify and/or request data, information
  - The MP will be given 5 business days to comment on the AESO findings assuming that a suspected contravention is being identified
  - If found in contravention, a referral will be submitted to the MSA
  - If no suspected contraventions are identified, a notification of self-certification assessment closure is issued to the MP
- Targeted timeline for completion is three (3) months but may be extended based on participation level and quality of evidence

# ASC Process

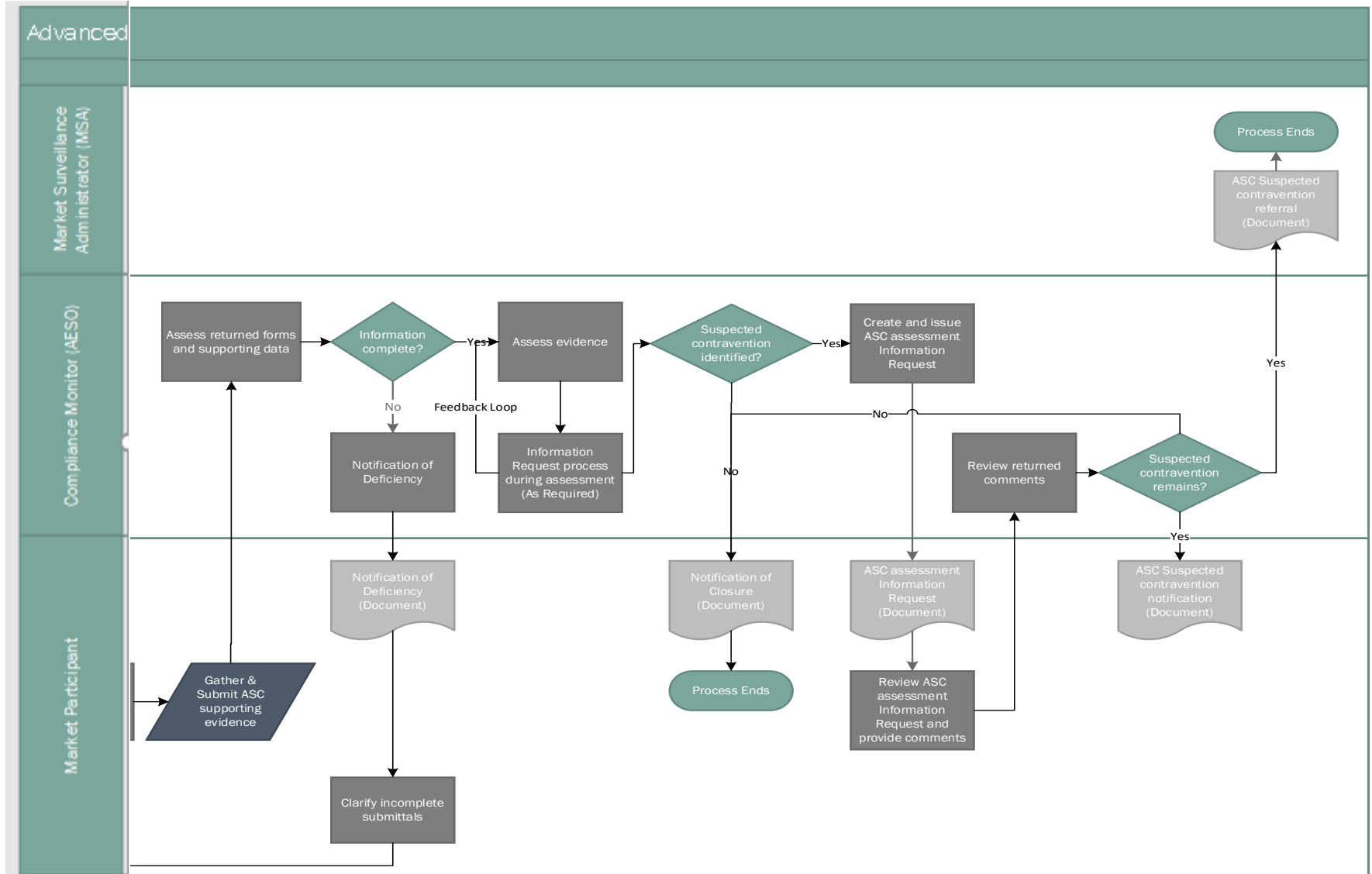
## Advanced Self-Certification (ASC)



# ASC Process



# ASC Process



- The ASC findings will be considered in the audit scope based on the type of requirement and whether a suspected contravention is being identified
  - Procedural / documentation-driven requirements
  - Data-driven requirements
  - Event-driven requirements



## Procedural / documentation-driven requirements

**Example:** *“R1 Each legal owner of a generating unit and legal owner of an aggregated generating facility must have documentation for determining the facility ratings of its facilities”*

- If **suspected contravention is identified**, (dependent on the context and severity) requirement may remain in future audit scope
- If **no suspected contravention is identified**, requirement will most likely be removed from audit scope
- MP may receive Area of Concern and Observation report as additional feedbacks from the AESO if applicable

## Data-driven requirements

**Example:** *“R4 Each legal owner of a transmission facility, legal owner of a generating unit, and legal owner of an aggregated generating facility that uses performance-based maintenance program(s) in accordance with requirement R2 must implement and follow its protection system maintenance program for its protection system, automatic reclosing, and sudden pressure relaying components that are included within the performance-based program(s).”*

- Future audits will have the ASC period removed from future audit for the requirement
- MP can use the assessment result to assess whether the collected data / evidence are sufficient to demonstrate compliance
- MP may receive Area of Concern and Observation report as additional feedbacks from the AESO if applicable

## Event-driven requirements

**Example:** *“R5 Each legal owner of a transmission facility, legal owner of a generating unit, and legal owner of an aggregated generating facility must demonstrate efforts to correct identified unresolved maintenance issues.”*

- Future audits will have the ASC period removed from future audit for the requirement
- MP can use the assessment result to assess the sufficiency of its response / procedure and the quality of its presented evidence
- MP may receive Area of Concern and Observation report as additional feedbacks from the AESO if applicable

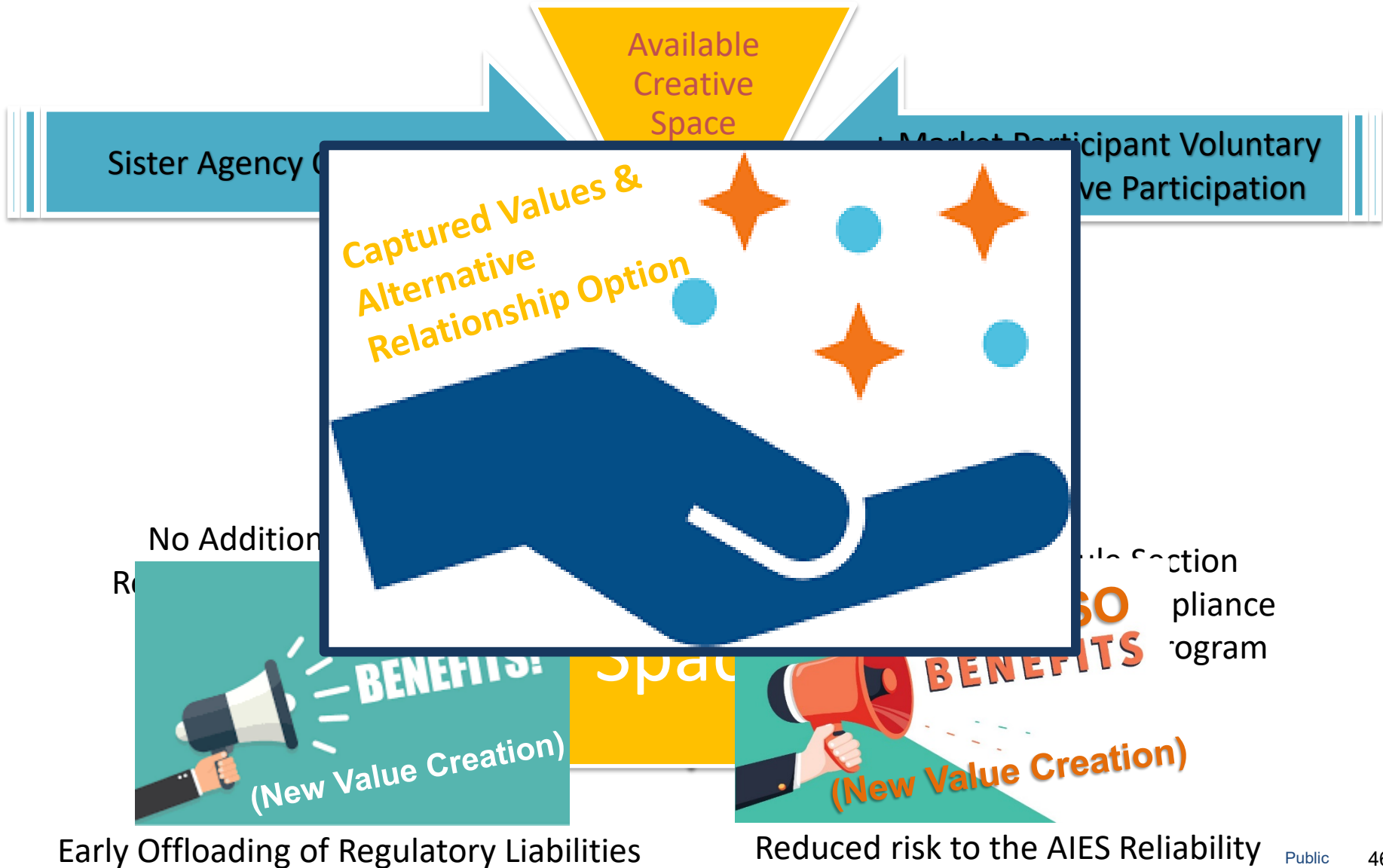
- Better management of workload and supportive resources
- More timely compliance feedback from the AESO
- Additional opportunities for continuous improvement
- Implementation alignment knowledge upfront
- Reduction of suspected contravention duration and impact
- Reduction of compliance risk incurred by the MP

## Early Offloading of Regulatory Liabilities

- Early detection of discrepancies
  - High rate of failure of new standards
- Increase scrutiny of compliance instead of plain declaration and less compliance risk
- Agility to focus on specific area of concerns
  - RSAW updates, Information Document development, provision of trainings & etc.
- Reduction of RFI
- Greater compliance efficiency

Reduced risk to the AIES Reliability

# ASC Program Design & Summary



Early Offloading of Regulatory Liabilities

Reduced risk to the AIES Reliability

- Launch: January 1, 2022
- Self-Certification cycles
  - 2022 C2: April 30, 2022 (Deadline for submission)
  - 2022 C3: July 31, 2022 (Deadline for submission)
  - 2022 C4: October 31, 2022 (Deadline for submission)
  - 2023 C1: January 31, 2023 (Deadline for submission)
- Standards subject to this in 2022
  - PRC-019: Coordination of Generating Unit or Plant Capabilities, Voltage Regulating Controls, and Protection – Jan 1, 2022
  - EOP-011: Emergency Operations – Jan 1, 2022
  - PRC-006: Automatic Underfrequency Load Shedding – Jan 1, 2022
  - PRC-002: Disturbance Monitoring and Reporting Requirements (Limited)
  - PRC-005: Protection System, Automatic Reclosing and Sudden Pressure Relaying Maintenance (Limited)

# Questions



- The Compliance Monitoring Program (CMP) has been updated in 2021 to provide:
  - Simplification of documentation (Program document cleanup and update)
  - Additional of (voluntary) Advanced Self-Certification (New Value Service)
  - Reduction of regulatory burdens to the industry (Next Slide)
  - Formalization of AOC and OB Reports (New Value Service)

*Provide new **tangible** values to the industry and reduce regulatory burdens, within the existing regulatory framework and mandate...*

# CMP Update – ARS Monitoring Tools



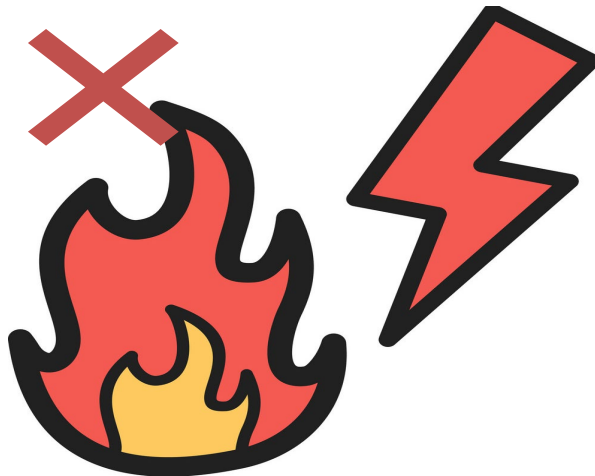
Scheduled Audit



Self-Certification



Spot Audit



Exception Reporting



Periodic Data Submissions  
and Reporting

**Break**

# ARS Updates and Lessons Learned

Joan Gaerlan

- To provide an overview of recent changes implemented by the AESO ARS Compliance Monitoring team, including the relevant drivers and value that each change brings
- To share lessons learned from the audits conducted, focusing on areas of improvement and best practices

- Changes implemented, including:
  - Drivers (what we heard, observed and experienced)
  - Value (how it benefits the industry)
- Lessons learned in the following areas:
  - Reliability Standards Audit Worksheets (RSAW) submission
  - Communications
  - Evidence

## Change

- Areas of concern (AOC) and observations (OB) noted are included in a separate report provided at the end of the audit
  - AOC and OB meet the intent of the standard/ requirement and are not contraventions
  - AOC could be a contravention under different circumstances, if not addressed
  - OB is an observed area of improvement, mainly pertaining to documentation

What to do with them:

- Consider and voluntarily address

## Examples

### AOC

The above evidence indicates that [REDACTED] has the capability for dial-up connectivity but there was no process in place that can be used to implement the policy to perform authentication. Since the implementation of the policy was not triggered during the audit period based on the attestation letter provided, this was not considered a suspected contravention. However, this is considered an [REDACTED] [REDACTED] as there is still a risk of somebody using dial-up connectivity, which if not authenticated will lead to a suspected contravention.

Evidence provided under PRC-001 showed that analysis and corrective action plans were conducted for the purpose of addressing these events and as such, these misoperations did not result in a suspected contravention under PRC-004. However, failure to identify events as misoperations on a timely basis using the processes intended for this purpose puts [REDACTED] at risk of being in contravention of PRC-004 in the future.



## Examples

### OB

Based on the AESO's assessment, the statement pertaining to "hot standby mode" meets the intent of R1(c). However, it is deemed very weak and inclusion of the process as described in the IR response in the operating plan would have made the operating process for addressing R1(c) much clearer.

While this did not result in a suspected contravention, the AESO is under the view that efficiency can be improved through [REDACTED] proper consideration of related IDs in conducting self-assessments of compliance with the standards, reducing the possibility of unnecessary self-reports to the MSA.

## Drivers

- Market participant (MP) requests for AESO recommendations on top of suspected contraventions
- Opportunity to communicate information and findings outside of noted suspected contraventions that could affect Alberta Interconnected Electric System (AIES) reliability
- AESO's commitment to providing support to MPs in implementing standards and increasing effectiveness in the compliance monitoring engagement

## Why not recommendations?

- Avoid the impression that certain things are required to be addressed, and in the AESO way
  - Recommendation implies a required action item as specified by the AESO
  - AOC and OB focus on “what” as opposed to “how”
- MP has the ultimate responsibility and likely more equipped to determine the best way to address AOC and OB
  - AOC and OB are things for MPs to consider
  - Examples of “how” provided by the AESO should not preclude MPs from exploring other options as deemed appropriate

## Value

- MPs are made aware of AOC that could result in future suspected contraventions
- MPs are made aware of OB that will help in improving their:
  - Compliance activities
  - Quality of implementation of ARS requirements
  - Quality of the audit engagement
- Contributes to the reliability of the AIES

## Change

- Observations noted during the audit engagement that are above and beyond normal expectations are included in the final audit report cover letter
  - May pertain to quality of implementation of the requirements, excellent collaboration during the audit, quality and type of evidence, etc.

## Drivers

- Feedback from MPs regarding negative impression brought by audit reports containing only suspected contraventions
- AESO's awareness of the hard work and commitment shown by MP compliance and supporting internal teams during the audits

## Value

- Formal venue for the AESO to provide positive reinforcement to MPs' compliance and supporting internal teams for things done above and beyond during the audit and in the implementation of ARS requirements
- MP leadership are made aware of the accomplishments of their compliance and other internal teams

## Changes

- Format
- Section providing an executive summary of the findings/ suspected contraventions
- Suspected contraventions grouped and presented based on the nature of the findings
- Draft report references kept in the final report as deemed necessary



# Changes – Audit Report

## Appendix A Audit Scope

In scope Alberta reliability standards including effective date

Update the table below

ARS Identifier and Requirement	Effective Date	Effective Date
--------------------------------	----------------	----------------

## 6. Appendix A

### 6.1 Audit Scope

(insert scope spreadsheet)

### 6.2 ARS Content

(insert link to ARS online content or PDF)

## 3. Suspected Contraventions & Mitigation Actions

### 3.1 Suspected Contraventions

Suspected Contravention #1	
ARS ID and requirement	ARS Title
R	
MR	
Suspected Contravention	Market Participant Mitigation or Remedial Action(s)
Market Participant Comments	
AESO Comments	

## 3. Suspected Contraventions and Mitigation Actions

[Company name/abbreviation] functional entities identified for the audit period are:

- [FE type 1]
- [FE type 2]
- [FE type 3]
- [...]

### 3.1 Standard, Requirement

#### 3.1.1 Suspected Contravention and Mitigation Actions

#### 3.1.2 AESO Assessment

#### 3.1.3 Market Participants Comments

<Market Participant to insert comments here>

#### 3.1.4 AESO Comments

<AESO to insert comments here>

### 3.2 Mitigation or Remedial Action Measures

Mitigation #1	
ARS ID and requirement	ARS Title
R	
MR	

## 4. Mitigation or Remedial Action Measures

[Company name/abbreviation] functional entities identified for the audit period are:

- [FE type 1]
- [FE type 2]
- [FE type 3]
- [...]

### 4.1 Standard

## Drivers

- Reconsideration of the needs of the audience of the report
- Need to reconcile the information included in the draft report with the one in the final report when removing and/or adding contraventions
- Feedback from MP regarding presentation of suspected contraventions for sub-requirements
  - perception of having more contraventions
  - enforcement concerns

## Value

- Facilitates better understanding of each finding through format and presentation
- Provides an easier way for MPs to address each finding within a suspected contravention
- Eliminates redundant information and provides better context on findings that are related to each other
- Draft report comments pertaining to remaining contraventions in the final report retain its original context based on the references

## Change

- Separate audit schedules for:
  - Critical Infrastructure Protection (CIP) High/Medium Impact
  - Power Systems/CIP Low Impact

## Drivers

- Workload associated with the audits
- Feedback from MPs

## Value

- More focused audits
- More reasonable timelines

## Change

- Evidence submission due date for recent audits extended to 3 months from audit period end date [normally 1 month from audit period end date]
  - Note: This change will be subject to future reassessment

## Drivers

- Challenges brought by COVID-19

## Value

- Allows the AESO to provide reasonable accommodations to MPs with compliance activities significantly affected by COVID-19

## Change

- Option to use SharePoint extended to all MPs [previously only for MPs subject to CIP High/Medium Impact audits]

## Drivers

- Limitations brought by COVID-19
- More MPs showing interest in using SharePoint in their audits

## Value

- More efficient and secure way of exchanging files
- More convenient to use
- No file size limitations



## Changes

- More frequent stakeholder sessions to share lessons learned
- More proactive review and update of RSAWs to capture new lessons learned

Note: AESO ARS Compliance Monitoring team is also continuing to advocate for clarifications provided through (Information Documents) IDs

- Posted (e.g., CIP-004, CIP-005, CIP-007, CIP-009, CIP-011, CIP-014, FAC-003, PRC-025, VAR-002)
- In progress (e.g., CIP 5Ps, CIP-006, CIP-007, CIP-008, PRC-023)

## Drivers

- MP requests for additional guidance
- Positive reception to previous stakeholder sessions and RSAW updates
- AESO's commitment to providing support to MP's compliance activities
- AIES reliability

## Value

- Better understanding of the standards and requirements
- Contributes to the reliability of the AIES
- More efficient and effective audits

## Change

- ADM-002-AB-1 Waivers and Variances took effect on April 22, 2021
  - AESO.ca > Rules, Standards and Tariff > Alberta Reliability Standards | Individual Alberta Reliability Standards | Administrative (ADM) | ADM-002 Waivers and Variances  
<https://www.aeso.ca/rules-standards-and-tariff/alberta-reliability-standards/adm-002-waivers-and-variances/>

## Drivers

- Instances noted by the compliance team where waivers and variances would have been appropriate considering technical/operational feasibility, safety, economic impact, etc., but no mechanism was available for MPs
- Our team's commitment to providing support to MP's subject to ARS

## Value

- Provides a mechanism for MPs to request, and for the AESO to approve, appropriate waivers and variances to ARS requirements
- Reduces or even eliminates the implementation and compliance burden for requirements to which the risk-based grounds and criteria set forth in ADM-002 apply
- More efficient use of MP and AESO compliance resources

## Areas of improvement

- Audit scope alignment
- Number of RSAWs submitted
- References

## Best practices

- RSAW submission should be aligned with the audit scope
  - Include evidence for all in-scope requirements
  - Exclude evidence for out-of-scope requirements
- One RSAW for each standard in scope
  - Except for versions with significant changes
  - Evidence for multiple facilities provided in one RSAW
- Specific references to pages or sections within a document addressing the requirement
  - No need to embed a file multiple times within one RSAW
  - Use highlights, tables, spreadsheets as deemed necessary
- Avoid lengthy file names



## Areas of improvement

- Use of proper channels
- Timeliness
- Coordination

## Best practices

- Use of pre-audit conference call for clarifications on evidence submission, audit process and expectations
- Use of post-audit conference call to get better understanding of the suspected contraventions
- Contact the auditor for any Information Request (IR) clarifications prior to sending the response
- Reasonable IR extension requests sent promptly (on or prior to response due date)
- Timely notice of specific requests for consideration (ideally within reasonable time after receipt of tentative audit schedule)

## Areas of improvement

- Use of attestation letters
- Awareness of documentation and implementation requirements
- Relevance to the audit period
- Support for MP statements and assertions

## Best practices

- Use non-event attestation letters when
  - The requirement is event-based and was not triggered
  - The non-event applies to the entire audit period
- Provide information on how the non-event was determined
- Be cognizant of requirements pertaining to documentation, implementation, or both, and provide evidence accordingly
- Provide evidence demonstrating compliance during the audit period
- Statements and assertions pertaining to compliance are supported by evidence

# Questions

# Closing Remarks

**Peter Wong, Director External Compliance Monitoring**  
**Daniela Cismaru, Manager Compliance Reliability**  
**Standards Monitoring**

- We want to thank you for attending the ARS Compliance Monitoring Information Session and we would appreciate your feedback on the session
- Launch Zoom poll
- Stay tuned for updates on upcoming training sessions, workshops and materials on the AESO website at [www.aeso.ca](http://www.aeso.ca)
  - Path: Rules, Standards and Tariff > Compliance Monitoring > ARS Compliance Monitoring



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- **Website:** [www.aeso.ca](http://www.aeso.ca)
- Subscribe to our stakeholder newsletter



**Thank You**

## Appendix – Acronyms

- ADM = Administrative Standard
- AIES = Alberta Interconnected Electric System
- AOC = Areas of Concern
- ARS = Alberta Reliability Standards
- ASC = Advance Self-Certification
- CIP = Critical Infrastructure Protection
- CMP = Compliance Monitoring Program
- ECM = External Compliance Monitoring
- ID = Information Document
- IR = Information Request
- MP = Market Participant
- MSA = Market Surveillance Administrator
- NERC = North American Electric Reliability Corporation
- NOD = Notification of Deficiency
- OB = Observations
- RFI = Request For Information
- RSAW = Reliability Standards Audit Worksheets