



Alberta Electric System Operator

Approval of New Alberta Reliability Standard ADM-002-AB-1

April 22, 2021

Alberta Utilities Commission

Decision 26407-D01-2021

Alberta Electric System Operator

Approval of New Alberta Reliability Standard

ADM-002-AB-1

Proceeding 26407

Application 26407-A001

April 22, 2021

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1 Introduction

1. On March 29, 2021, pursuant to Subsection 19(4)(b) of the *Transmission Regulation*, the Alberta Electric System Operator (AESO)¹ forwarded a recommendation to approve the proposed new Alberta reliability standard ADM-002-AB-1² to the Alberta Utilities Commission. The AUC registered this filing as Application 26407-A001 and designated it as Proceeding 26407.

2. Pursuant to Subsection 19(4) of the *Transmission Regulation*, before adopting or making reliability standards, the independent system operator (ISO) must consult with those market participants that it considers are likely to be directly affected. It must also forward the proposed reliability standards to the Commission for review, along with the ISO's recommendation that the Commission either approve or reject each of them.

3. Pursuant to subsections 19(5) and 19(6) of the *Transmission Regulation*, the Commission must approve or refuse to approve each reliability standard in accordance with the recommendation of the ISO, unless an interested person satisfies the Commission that the ISO's recommendation is:

- (a) technically deficient, or
- (b) not in the public interest.

4. On March 30, 2021, the Commission issued a notice of filing and notice for objection for the proposed new ADM-002-AB-1 by uploading the notice to the Commission's eFiling System.

5. No objections were filed with the Commission by the April 13, 2021 deadline, specified in the notice of filing and notice for objection.

2 Background

6. Section 103.14 of the ISO Rules, *Waivers and Variances*, which was developed to more effectively address requests for waivers and variances related to the Division 502 ISO Rules, was approved by the Commission in Decision 24885-D01-2019³ with an effective date of December 11, 2019. The AESO indicated that stakeholders were supportive of the waivers and variances initiative throughout the consultation process for Section 103.14.

¹ The ISO is established under Subsection 7(1) of the *Electric Utilities Act* and operates under the trade name AESO. For the purposes of this decision, AESO and ISO are used interchangeably.

² Note: The various types of reliability standards approved by the North American Electric Reliability Corporation are outlined at <http://www.nerc.com/page.php?cid=2|20>.

³ Decision 24885-D01-2019: Alberta Electric System Operator – Approval of Proposed New Section 103.14 of the ISO Rules, and Related Proposed Amendments to Division 502 ISO Rules, Section 304.3 and Section 304.9, Proceeding 24885, Application 24885-A001, December 11, 2019.

7. The AESO submitted that it has determined a similar waivers and variances mechanism would be useful for reliability standards. Utilizing the established framework of Section 103.14, the proposed new Alberta reliability standard ADM-002-AB-1 allows for a waiver or variance request to be submitted and approved for any requirement in a reliability standard which does not already have its own mechanism.

8. Regarding consultation, on January 26, 2021, the AESO posted a consultation letter on its website requesting comments from interested parties. Stakeholder comments were posted on the AESO's website on February 25, 2021. After further review, the AESO posted replies to the stakeholder comments on March 15, 2021, along with an explanation of why certain positions were accepted or rejected.

9. The AESO submitted the final proposed new ADM-002-AB-1 with its application on March 29, 2021, and indicated that the proposed changes comply with the requirements of the *Transmission Regulation*, are not technically deficient and are in the public interest. The AESO recommended that the Commission approve the proposed new ADM-002-AB-1.

3 Commission findings and decision

10. Subsection 19(4) specifies that before adopting or making reliability standards, the ISO must consult with those market participants that it considers likely to be directly affected and forward the proposed reliability standards to the Commission for review, with the ISO's recommendation that the Commission approve or reject them. The Commission is satisfied that the ISO has fulfilled these requirements.

11. Pursuant to subsections 19(5) and 19(6) of the *Transmission Regulation* the Commission must follow the recommendation of the ISO to either approve or reject proposed reliability standards unless the recommendation is demonstrated to be technically deficient or not in the public interest:

Reliability Standards

[...]

19(5) Subject to subsection (6), the Commission must approve or refuse to approve the reliability standards, agreements, criteria or directives, and must inform the ISO of its decision.

(6) The Commission must follow the recommendation of the ISO that the Commission approve or reject the proposed reliability standards, agreements, criteria or directives unless an interested person satisfies the Commission that the ISO's recommendation is

- (a) technically deficient, or
- (b) not in the public interest.

12. The ISO forwarded the proposed new ADM-002-AB-1 to the Commission with a recommendation that the Commission approve it. No interested party filed an objection with the AUC indicating that the proposed new ADM-002-AB-1 is either technically deficient, or not in the public interest.

13. Accordingly, pursuant to Subsection 19(6) of the *Transmission Regulation* and based on the recommendation of the ISO, the Commission approves the proposed new ADM-002-AB-1, effective as of the date of this decision.

Dated on April 22, 2021.

Alberta Utilities Commission

(original signed by)

Fino Tiberi
Executive Director, Market Oversight and Enforcement
On behalf of the Alberta Utilities Commission