



Alberta Electric System Operator

Approval of Retirement for Alberta Reliability Standard VAR-002-WECC-AB-1

June 16, 2021

Alberta Utilities Commission

Decision 26542-D01-2021

Alberta Electric System Operator

Approval of Retirement for Alberta Reliability

Standard VAR-002-WECC-AB-1

Proceeding 26542

Application 26542-A001

June 16, 2021

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Contents

1	Introduction.....	1
2	Background	1
3	Commission findings and decision	2

1 Introduction

1. On May 20, 2021, pursuant to Subsection 19(4)(b) of the *Transmission Regulation*, the Alberta Electric System Operator (AESO)¹ forwarded a recommendation to approve the retirement of existing Alberta Reliability Standard VAR-002-WECC-AB-1, *Automatic Voltage Regulators and Voltage Regulating Systems*,² to the Alberta Utilities Commission. The AUC registered this filing as Application 26542-A001, and designated it as Proceeding 26542.

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 May 27, 2021, the Commission issued a notice of application for the proposed retirement of VAR-002-WECC-AB-1 by uploading the notice to the Commission's eFiling System.

5. No objections were filed with the Commission by the June 10, 2021 deadline specified in the notice of application.

2 Background

6. On March 7, 2018, the North American Electric Reliability Corporation (NERC) and the Western Electricity Coordinating Council (WECC) submitted a petition to the Federal Energy Regulatory Commission (FERC) for approval to retire regional reliability standard NERC VAR-002-WECC-2, *Automatic Voltage Regulators*, on the basis that the continent-wide

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 NERC are outlined at <http://www.nerc.com/page.php?cid=2|20>.

VAR reliability standards already adequately address all of the reliability-related issues addressed in NERC VAR-002-WECC-2. FERC approved the petition on September 5, 2018.

7. The AESO submitted that the FERC order inherently included NERC VAR-001-4.2, *Voltage and Reactive Control*, which was in effect at the time FERC approved the petition to retire NERC VAR-002-WECC-2. Currently, VAR-001-AB-4, *Voltage and Reactive Control*, which has no significant differences from NERC VAR-001-4 and NERC VAR-001-4.2, is in effect in Alberta. Additionally, the existing VAR-002-AB-3, *Generator Operation for Maintaining Network Voltages*, is based on the same version of NERC VAR-002-3 that FERC identified as being sufficiently stringent without any further benefit from NERC VAR-002-WECC-2. Therefore, the AESO is proposing to retire VAR-002-WECC-AB-1.

8. Regarding consultation, on February 10, 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 March 3, 2021, and were supportive of the AESO's recommendation to retire VAR-002-WECC-AB-1.

9. The AESO submitted the final proposed retirement of VAR-002-WECC-AB-1 with its application on May 20, 2021, and indicated that the proposed retirement complies with the requirements of the *Transmission Regulation*, is not technically deficient and is in the public interest. The AESO recommended that the Commission approve the retirement of VAR-002-WECC-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 retirement of VAR-002-WECC-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 retirement of VAR-002-WECC-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 retirement of VAR-002-WECC-AB-1, effective as of the date of this decision.

Dated on June 16, 2021.

Alberta Utilities Commission

(original signed by)

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