

July 4, 2019

To: Market Surveillance Administrator, Market Participants and Other Interested Parties
("Stakeholders")

Re: **Late Stakeholder Comments in response to AESO replies -**

- 1) **Proposed new Section 502.17 of the ISO Rules, *Voice Communication System Requirements* ("Section 502.17"); and**
 - 2) **Proposed amended Section 502.4 of the ISO Rules, *Automated Dispatch and Messaging System and Voice Communication System Requirements* ("Section 502.4")**
- (collectively referred to as the "new and amended ISO Rules")**

On May 17, 2019, the Alberta Electric System Operator ("AESO") received late written comments on the proposed new Section 502.17 from AltaLink Management Ltd. and ATCO Electric.

The following is hyperlinked to provide assistance in directing Stakeholders to these written comments.

Section 502.17
AltaLink Management Ltd.
ATCO Electric

The AESO is of the view that adherence to deadlines is an integral part of a fair and efficient ISO rules comment process. Stakeholder comments received after a specified deadline are considered at the AESO's discretion.

Sincerely,

Melissa Mitchell-Moisson

Regulatory Coordinator
403-539-2948
melissa.mitchell-moisson@aes0.ca

May 17, 2019

Sent via Email

Alberta Electric System Operator
Calgary Place
2500, 330-5th Avenue SW
Calgary, AB T2P 0L4
Email: Melissa.Mitchell-Moisson@aeso.ca

Attention: Melissa Mitchell-Moisson, Regulatory Administrator, Legal & Regulatory Affairs

Dear Ms. Mitchell-Moisson:

Re: AltaLink Management Ltd. (AltaLink) Concerns Regarding Proposed ISO Rule 502.17

AltaLink is writing with regards to the consultation on the proposed ISO Rule 502.17 (Rule), the comments provided by AltaLink and other market participants, and the responses received from the Alberta Electric System Operator (AESO). AltaLink has a number of concerns around ambiguity with respect to roles and responsibilities, terminology, and the potential financial and operational impact were the standard to be approved in its current form.

In discussions with other market participants, primarily transmission facility owners (TFO), there was significant confusion and concern around a number of terms and expectations. While not an exhaustive list, some examples included the definition of “orderwire”, expectations around backup power and its applicability throughout the network, the role of the AESO in coordinating a common system and supporting information, the expectations of the large service territory TFOs as it relates to facilitating the compliance of other market participants, and the implementation timeframe for a market participant to become compliant.

The Rule has significant implications for AltaLink as the only entity with the infrastructure to facilitate orderwire to the AESO. It seems from the current language of the Rule, that on top of AltaLink ensuring its own compliance, AltaLink will need to support the AESO and all relevant market participants who require orderwire, including the associated contracts, cost sharing arrangements, demarcation points, dialing plans if applicable, and other operational/technical considerations. There is currently no funding in place in AltaLink’s 2019-2021 General Tariff Application (GTA) and the cost has the potential to be significant, though still unclear as a result of the above listed ambiguities and uncertainties.

It is also unclear to AltaLink how an orderwire service was determined to be necessary for certain categories of market participant, versus for example satellite phone service. This determination should be a result of a cost, benefit, and risk evaluation.

In the response to AltaLink comment #3, the AESO states that AltaLink currently provides voice services to some market participants. This service is done on a best effort, best practice basis with no commitments, service level agreements, or compliance impact. Formally placing these services in a compliance framework changes AltaLink’s approach and willingness to accept this liability. The Rule does not specifically require AltaLink to provide infrastructure sharing or voice services, and as such AltaLink will need to do a full review of its operational capability to support others and AltaLink’s compliance risk tolerance. The outcome of that review could result in AltaLink no longer providing these services other than what is required for AltaLink’s own compliance. The AESO comments suggest a service model in

which TFOs continue to provide these services under 502.17, however that is not formally stated in the Rule. If this is indeed the AESO's expectation then there are clear differences in philosophy and a lack of alignment which will not result in a smooth or successful implementation of the Rule throughout the province.

In response to AltaLink comment #5, the AESO suggests that a satellite phone is not appropriate for a backup solution as it does not support large number of users, has high latency, and most market participants "already use orderwire today". This is based on two (2) assumptions: 1) that AltaLink is willing to take on the operational and compliance risk mentioned above versus having everyone use disparate self-managed voice systems, and 2) that there is existing control center to control center orderwire service in the majority of cases. Both of these assumptions are incorrect, which provides even more reason to return to the technical working group level to ensure the AESO fully understands the current state of AltaLink's, and other market participants', position on how this standard could be implemented successfully. It is unclear to AltaLink why the AESO has not suggested providing a coordinated central service offering given that the AESO has suitable voice infrastructure which is capable of providing such service.

In the current state, there is a high risk of market participants having vastly different interpretations and approaches to the Rule. As it stands, AltaLink (and ATCO) in particular as primary infrastructure operators would need to jeopardize AltaLink's own compliance programs in order to facilitate requests from other market participants to meet the short implementation timeline. As regulated utilities and responsible businesses, AltaLink cannot begin implementing solutions in order to comply with the Rule prior to Alberta Utilities Commission (AUC) approval, as such the suggestion that market participants have more than the 9 months to implement is not accurate nor prudent for regulated entities.

The technical working group that discussed the Rule through the second half of 2018 at no point in time reached consensus or even alignment in principal on what the Rule is mandating. No technology architecture or operational model was developed, even at a high level. For an operationally critical and complex interconnected system intended to provide coordination of many market participants, it is necessary to have these fundamentals in place prior to publication and approval. AltaLink has concerns that AUC Rule 017, specifically sections 6.1 and 6.2, may not have been fully satisfied by the AESO consultation process for the Rule. AltaLink proposes that the AESO re-engage the technical working group or form a consultation group to ensure alignment and that a workable solution is established in principal prior to seeking AUC approval of the Rule.

Yours truly,

(Original signed by)

Rick Spyker
Director, Maintenance Program Delivery

CC: Dan Shield, Director, Reliability and Technical Standards
Stephen VanderZande, Lead Engineer
Ping-Kwan Keung, Manager Standards Modelling and Engineering Services

May 17, 2019

Dan Shield, Director, Reliability and Technical Standards
Stephen VanderZande, Lead Engineer
Ping-Kwan Keung, Manager Standards Modelling and Engineering Services
Melissa Mitchell-Moisson, Regulatory Administrator, Legal & Regulatory Affairs
Alberta Electric System Operator (AESO)
330 5 Avenue SW
Calgary, Alberta, Canada T2P-0L4

Dear sirs and madam:

RE: ISO Rule Section 502.17 (proposed) – Stakeholder Consultation

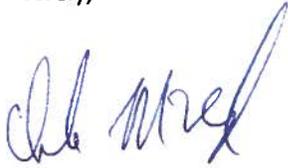
On March 19, 2019 the AESO *Issued for Stakeholder Consultation* proposed Section 502.17 of the ISO Rules, and invited stakeholders to comment. On April 18, 2019 the AESO published the comments received, together with an AESO reply to each comment. It is ATCO's opinion that the concerns identified in our comments were not adequately addressed in the AESO's replies, and that further discussion is necessary before the AESO proceeds any further with implementation of the proposed rule.

ATCO's concerns are as follows:

1. The AESO has specified "utility orderwire" as the required backup communications system for TFOs, but has declined to explain what they understand this term to include, saying only that in their opinion this is a generally understood term in Alberta. The AESO has thus delegated the task of reaching consensus on technology and architecture of the utility orderwire system to the Market Participants. The AESO has also indicated that Market Participants will be given nine months to achieve compliance. It is highly unlikely that technology selection, architecture design, interoperability design, material procurement and implementation of the utility orderwire system can be completed in nine months. It is ATCO's position that further discussion within the Telecom Working Group is necessary to reach consensus on technology selection, architecture design, and interoperability design before Section 502.17 progresses towards implementation.
2. The requirement to have the orderwire system remain operational for a minimum of 72 hours in the event of an extended power outage has the potential to require significant investment in standby generators on a short-term basis – not only to support communication to existing market participants, but also to market participants that will emerge in the future. Given that funding for such investments is secured via a two-year cycle, ATCO may have to defer other capital maintenance programs to support generator deployment. It is ATCO's position that the timelines for achieving compliance should be lengthened.

ATCO looks forward to working with the AESO and other market participants toward successful implementation of Section 502.17.

Sincerely,



Derek McHugh
Director, Engineering
Electricity Global Business Unit
ATCO Ltd.