

March 29, 2021

To: The Alberta Utilities Commission

Re: Forwarding Notice – New Reliability Standard ADM-002-AB-1, *Waivers and Variances*

The Alberta Electric System Operator (“AESO”) recommends that the Alberta Utilities Commission (“AUC or Commission”) approve the proposed new reliability standard ADM-002-AB-1, *Waivers and Variances* (“ADM-002-AB-1”) pursuant to Section 19 of the *Transmission Regulation*.

Background

On December 4, 2018, the AESO posted a letter of notice in respect of the development of an ISO rule that would more effectively address requests for waivers and variances to the Division 502 ISO rules. Stakeholders were supportive of this initiative and after a fulsome consultation, the AESO submitted an application to the Alberta Utilities Commission (the “Commission”) for approval of Section 103.14 of the ISO rules, *Waivers and Variances* (“Section 103.14”). The Commission approved the application and issued an approval for Section 103.14, effective December 11, 2019.

Having been in effect now for just over one year, the AESO has determined that a similar waivers and variances mechanism would be valuable for use with the reliability standards. The AESO proposes that ADM-002-AB-1 would allow for a request for a waiver or variance to be submitted and approved with respect to any requirement in a reliability standard that does not already have its own separate mechanism. The AESO further proposes to leverage the current process established for requesting and approving a waiver or variance under the ISO rules to manage similar requests and approvals under the reliability standards.

Summary of AESO Consultation

On January 26, 2021, the AESO posted a Consultation Letter on its website requesting written comments from market participants and other interested parties (“Stakeholders”) with respect to the proposed new ADM-002-AB-1 and notified Stakeholders in the AESO Stakeholder Newsletter.

On February 25, 2021, the AESO posted the written comments received from Stakeholders, in response to the Consultation Letter, on its website and notified Stakeholders in the AESO Stakeholder Newsletter. Please see the Stakeholder Comments Letter for a summary of written comments received.

On March 15, 2021, the AESO posted its replies Stakeholder comments, including the proposed new ADM-002-AB-1, on its website and notified Stakeholders in the AESO Stakeholder Newsletter. Please see the AESO Reply Letter for a summary of replies to written comments received, including the rationale or basis for the position of the AESO that explains why certain positions were rejected or accepted.

Attachments to Forwarding Notice

The following documents are attached to this Forwarding Notice:

1. January 26, 2021 Consultation Letter;
2. February 25, 2021 Stakeholder Comments Letter;
3. March 17, AESO Reply Letter; and
4. Clean copy of final proposed new ADM-002-AB-1.

Proposed Effective Date

The AESO recommends that the Commission approve the final proposed ADM-002-AB-1 to become effective upon approval by the Commission.

The AESO submits that the final proposed ADM-002-AB-1 complies with the requirements of the *Transmission Regulation*, is not technically deficient and is in the public interest.

If you have any questions, please submit them to ars_comments@aeso.ca.

Sincerely,

Jodi Marshall

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