Alberta Electric System Operator
3000, 240 4 Avenue SW
Calgary, AB • T2P 4H4
aeso.ca

Sweep Process

Alberta Risk Based Compliance Monitoring Program

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Contents

1. Introduction

A Sweep of market participants[1] (entities) is one of the activities the AESO uses to monitor compliance with reliability standards[2] (Alberta Reliability Standards or ARS). A Sweep is a risk-based compliance monitoring activity where the AESO assesses compliance with a targeted subset of ARS across multiple entities at the same time, with the objectives of identifying both individual entity and industry-wide compliance risks and trends.

Sweeps require an entity to respond with all requested information to an initial Information Request[3] (IR) from the AESO. If the AESO suspects that an entity has contravened an ARS, it must refer the matter to the Market Surveillance Administrator (MSA)[4].

The AESO may issue an anonymized public report after the conclusion of a Sweep that describes the Sweep objectives, scope, methodology, findings, observations, lessons learned, and recommended entity actions.

Sweeps provide an opportunity for the AESO and entities to identify and proactively respond to potential, emerging, and/or systemic risks, collaborate, strengthen relationships, and demonstrate a shared commitment to the reliability and security of the interconnected electric system[5] (IES). The AESO conducts Sweeps of entities in a manner that promotes transparency, independence, fairness, objectivity, consistency, confidentiality[6], and efficiency.

2. Purpose

The AESO has established this document as a companion document to the Alberta Risk-Based Compliance Monitoring Program (ARCMP)[7], and in accordance with Transmission Regulation, Section 23(1)(b) and Section 103.12 of the ISO rules, *Compliance Monitoring.* It defines the process for Sweeps.

3. Sweep Defined

A Sweep is a focused compliance monitoring activity in which the AESO issues an initial IR to multiple entities at the same time to assess potential, emerging, and/or systemic risks that are related to a specific event or common issue. These activities support a proactive, risk-based, and efficient approach to compliance oversight by identifying potential industry gaps in ARS interpretation and implementation, effectiveness of entity internal compliance programs and internal controls, and required practices.

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[1] As defined by the Electric Utilities Act, SA 2003, c E-5.1

[2] As defined by the *Transmission Regulation*, AR 86/2007, s. 19

[3] Pursuant to Section 103.12 of the ISO Rules, *Compliance Monitoring*, subsections 4 and 5

[4] Pursuant to the *Electric Utilities Act*, Section 21.1

[5] As defined by the *Electric Utilities Act*, SA 2003, c E-5.1

[6] Pursuant to Section 103.12 of the ISO rules, *Compliance Monitoring* and Section 103.1 of the ISO rules, *Confidentiality*

[7] https://www.aeso.ca/rules-standards-and-tariff/compliance-monitoring/ars-compliance-monitoring/

This activity is one of several within the ARCMP and is intended to be proactive, independent of scheduled monitoring, and enables early identification of risks. A Sweep may inform future AESO compliance monitoring activities, including reducing the need for scheduled monitoring activities or triggering a more intense monitoring activity (e.g., spot audit). The AESO will generally exclude entities who have undergone recent monitoring activities for the same ARS requirements in scope of the Sweep.

4. Sweep Process

The AESO designs each Sweep around a clearly defined theme or risk area, including a specific population of entities, scope of ARS requirements, and a defined assessment period. The AESO's Sweep may be informed by new or emerging risks, entity Compliance Oversight Plans, implementation risks or trends, or other information and considerations.

1. **Sweep Design and Notification**
   The AESO begins by defining the Sweep's theme or risk area, identifying the population of entities, selecting the ARS requirements in scope and setting the assessment period.
   Once defined, the AESO issues an IR to all selected entities at the same time. The IR outlines the Sweep scope, rationale, timelines and expectations for entity responses.

2. **Entity Response and AESO Review**
   Entities submit all requested information by the specified deadlines. The AESO reviews the submissions to assess potential, emerging or systemic risks, identify interpretation or implementation gaps and gain reasonable assurance of compliance with the ARS in scope.

3. **Follow-Up Activities**
   If clarification is needed, the AESO may issue follow-up IRs or conduct targeted interviews.

4. **Assessment and Closure**
   After reviewing all information, the AESO determines the appropriate outcomes.

4.1 Entity-specific outcomes

- Closure of the review with no further action.
- Identification of suspected contravention(s). Where a suspected contravention is identified, the AESO must refer the matter to the MSA in accordance with established processes and communicate the referral to the affected entity.
- Trigger a follow up compliance activity or inform the scope of an upcoming compliance monitoring activity.

4.2 System-wide outcomes

- Communication of anonymized aggregated findings, including common themes or trends.

- Development of outreach or education initiatives to support broader awareness and continuous improvement.

5. Notifications and Schedule Changes

An entity may request a change or delay to its Sweep under extenuating circumstances for the following reasons:

a. The Sweep conflicts with other critical business activities of the entity.
b. The entity is responding to an event or exceptional circumstance (e.g., CIP exceptional circumstance, operating emergency, business continuity plan activation, recovery, etc.).

An entity submits its request to rscompliance@aeso.ca that describes the extenuating circumstances. The AESO considers the entity's request on a case-by-case basis and, if necessary, works with the entity to reschedule the Sweep.

The AESO provides notification to an entity if it, at its discretion, changes or cancels a Sweep.

6. Confidentiality and Retention

6.1 Confidentiality

The AESO conducts Sweeps of entities on a confidential basis pursuant to Section 103.1 of the ISO rules, *Confidentiality* and Section 103.12. Pursuant to subsection 6 of Section 103.12, the AESO may make information obtained during a compliance monitoring activity available to either or both the Alberta Utilities Commission (AUC) or the MSA.

6.2 Retention

The AESO is required to establish a Records Management Program in accordance with policies, standards and procedures established by the Minister of Service Alberta pursuant to Section 4(2) of the *Records Management Regulation*, and in accordance with its Records Management Policy.

Information and data generated and received related to Sweeps may be retained for a maximum of 10 years unless a different retention period is specified in an ARS or by an applicable regulatory entity. This is consistent with AESO's Records Management Policy and applicable legislation.

7. Escalation Process

The AESO's External Compliance Monitoring – ARS team is responsible for executing and facilitating the Sweeps process with the entity in a professional and collaborative manner. If an entity identifies issues or concerns related to the execution of the Sweeps process (e.g., unreasonable scheduling delays caused by the AESO, insufficient communication or transparency in the Sweeps process or assessment conclusions, perceived or actual conflict of interest, etc.), it must communicate its concerns in writing to rscompliance@aeso.ca. The Manager, External Compliance Monitoring – ARS evaluates the concerns and works with the entity to resolve the complaint. If the issues or concerns are not resolved satisfactorily through effective collaboration with the Manager, External Compliance Monitoring – ARS, an entity may contact the Director, Compliance to initiate the following escalation process:

- The entity submits its concerns to the Director, Compliance via rscompliance@aeso.ca within five business days after the final discussion with the Manager, External Compliance Monitoring – ARS, which must include the rationale for the disagreement and any proposed solutions and/or mitigations, if applicable.
- The Director, Compliance works collaboratively with the entity to understand its concerns and determines merit regarding the disagreement.
- The Director, Compliance responds to the entity in writing within 10 business days of receiving the entity's submission that includes a determination on merit, summary of the outcome, and mitigation actions agreed upon between the AESO and the entity.
- If the entity's concerns are not satisfactorily addressed after these steps are completed, it may pursue its concerns further by escalating the matter to the Vice President, Finance and Compliance by submitting its concerns in writing via rscompliance@aeso.ca. The Vice President, Finance and Compliance works with the entity and the AESO Compliance Department to collaboratively resolve the concerns and agree on mitigation actions to conclude the Sweeps process in an effective manner.

8. Revision History

Revision	Date	Comments
1.0	September 3, 2026	Initial Version