MARKET SURVEILLANCE ADMINISTRATOR

May 15, 2026

MSA comments regarding the proposed High Complexity and Milestone 3 Sync Up reliability standards packages

On June 5, 2025, the Alberta Electric System Operator (AESO) introduced the Reliability Standards Sync Up Project, with a declared purpose of accelerating Alberta reliability standards (ARS) alignment with North American Electric Reliability Corporation (NERC) and Western Electricity Coordinating Council (WECC) reliability standards while fostering targeted industry engagement and collaboration. The MSA previously published commentary on the medium complexity reliability standards package.

On February 5, 2026, the AESO issued a consultation letter addressing the high complexity standards. This was followed by a similar consultation letter released on March 19, 2026, focused on the milestone 3 standards, with stakeholder comments on both packages requested to be provided in May 2026.[1]

Having reviewed the information associated with these two consultation packages, the MSA provides commentary to inform parties considering the proposed reliability standards on the following three topics:

1. Removal of requirements applicable to the Independent System Operator (ISO)

   The AESO is proposing to consolidate functional entity types present in NERC standards into a single entity type, called the ISO, and to not adopt reliability standard requirements, and their associated mandatory actions, that relate to communications or processes entirely within that entity. The MSA is concerned that the proposal will result in increased reliance on internal AESO processes for reliability tasks that would otherwise be subject to compliance monitoring oversight with mandatory evidentiary requirements that better protect grid reliability.

2. Expanded applicability of reliability standards

   With the information available, the MSA is concerned that the AESO's expansion of reliability standard applicability may not have sufficient benefits to justify the costs and therefore may not be in the public interest.

3. Inconsistent approach to information documents for additional guidance

   The AESO is proposing to continue using information documents to provide implementation guidance to market participants. The MSA is concerned that the lack of a formalized and timely

[1] The latest deadline the MSA is aware of is May 15, 2026, for the milestone 3 standards package and May 22, 2026, for the high complexity standards package.

process to provide this guidance risks inconsistent interpretation and implementation of reliability standards.

Explanations related to the above three topics are outlined in the linked sections below. The MSA also provided Appendix A with two additional observations on the proposed reliability standards:

1. Opportunities to consistently define terms
2. Authoritative content in information documents

1. REMOVAL OF RELIABILITY REQUIREMENTS APPLICABLE TO THE ISO

What are NERC registered entities and functional entity types?

NERC defines a registered entity as "an owner, operator, or user of the Bulk Power System, or the entity registered as its designee for the purpose of compliance, that is included in the NERC Compliance Registry."[2] The AESO implements a similar registered entity structure to NERC[3].

NERC describes the obligation for registration as applying to organizations "to the extent that they are owners, operators, and users of the Bulk Power System (BPS), perform a function listed in the functional types …, and are material to the Reliable Operation of the interconnected BPS"[4] according to the following two principles:[5]

- There needs to be consistency between regional entities and across the continent with respect to which entities are registered; and
- Any entity reasonably deemed material to the reliability of the BPS will be registered, irrespective of other considerations.

The common functional entity types that typically apply to independent system operators (ISOs), regional transmission organizations (RTOs), and Canadian crown corporations are:[6]

- Reliability Coordinator (RC): The entity that is the highest level of authority who is responsible for the reliable operation of the bulk electric system, has the wide area view of the bulk electric system, and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The reliability coordinator has the purview that is broad enough to enable the calculation of interconnection reliability operating limits, which may be based on the operating parameters of transmission systems beyond any transmission operator's vision.
- Balancing Authority (BA): The responsible entity that integrates resource plans ahead-of-time, maintains load-interchange-generation balance within a balancing authority area, and supports interconnection frequency in real-time.
- Planning Authority (PA): The responsible entity that coordinates and integrates transmission Facilities and service plans, resource plans, and protection systems.

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[2] NERC Rules of Procedure, Appendix 2.

[3] AESO Functional Model and Criteria for Registration.

[4] NERC Rules of Procedure, Appendix 5B, page 1.

[5] NERC Rules of Procedure, Appendix 5B, page 3.

[6] NERC Rules of Procedure, Appendix 5B, page 4.

- Transmission Operator (TOP): The entity responsible for the reliability of its local transmission system and operates or directs the operations of the transmission facilities.

- Transmission Planner (TP): The entity that develops a long-term (generally one year and beyond) plan for the reliability (adequacy) of the interconnected bulk electric transmission systems within its portion of the planning authority area.

How does the rest of North America handle single entities containing multiple functional entities?

The functional model that informs the development of reliability standards is described below:[7]

- The model describes a set of functions that are performed to ensure the reliability of the BPS. Each function consists of a set of related reliability tasks. The model assigns each function to a functional entity, that is, the entity that performs the function's tasks. The model also describes the interrelationships between that functional entity and other functional entities. NERC's standard development teams develop reliability standards that assign each reliability requirement within a standard to one or more functional entities, as defined in the model.

- This is possible because a given standard requirement will be logically related to a task within a function. A standard's requirement will be very specific whereas a task will be more general in nature.

Put differently, the reliability requirements are assigned to functional entities through the standards development process to capture an activity that, if not performed, poses a specific risk to the reliable operation of the BPS.

There are 13 entities similar to the AESO, listed below, that register and comply with the reliability standards based on the individual functional entity types listed above:[8]

- In Canada they are Hydro Quebec, New Brunswick Power Corporation, Ontario IESO, and Saskatchewan Power Corporation.

- In the US they are California ISO, Electric Reliability Council of Texas (ERCOT), Florida Power & Light, ISO New England, Midcontinent Independent System Operator (MISO), New York ISO, PJM Interconnection, Southern Company Services, Tennessee Valley Authority (TVA).

The AESO's proposed consolidation:

In the section titled *Requirements that Involve Communication (or Determination and Identification of Responsibilities) Among the Reliability Coordinator, the Balancing Authority, the Planning Coordinator, the Transmission Planner, and/or the Transmission Operator* of both the high

[7] Adapted from NERC Reliability Functional Model Technical Document (Historical), page 30.

[8] NERC Compliance Registry Matrix.

complexity[9] and milestone 3[10] rationale of deviations documents, the AESO mentions that the reliability coordinator, the balancing authority, the planning coordinator, and the transmission planner functional entities have been consolidated within the ISO functional entity.

The AESO further explains that implementing this change resulted in the following changes to the reliability standards:

- The AESO has not adopted NERC requirements that would require the ISO to communicate with or provide notifications to itself, often within the same internal department or team.

- The AESO has not adopted NERC requirements that require the determination and identification of separate or joint responsibilities between the planning coordinator and the transmission planner.

- The AESO has not adopted NERC requirements that are duplicative and apply to different NERC functional entity types that are encompassed within the ISO's role. Instead, the AESO adopts a single version of such requirements that aligns with the most relevant functional responsibility.[11]

What are the implications of the AESO's proposal?

The following are two examples based on the proposed high complexity reliability standards. While they are not the only such examples included in the packages, they are illustrative of the implications of this type of localization of the NERC standards.

Removal of requirements - BAL-007-AB-1 – near-term energy reliability assessments

The proposed Alberta version removes requirement R6 of the BAL-007-1 standard in its entirety because the language of the requirement would oblige the balancing authority, the ISO, to provide its near-term energy reliability assessment process, scenarios or methods, and operating plans to the applicable reliability coordinator, which in Alberta is also the ISO.

By removing the entire requirement due to the overlap in roles, the AESO also removed the obligation for it to review and update this material on a regular basis, with the resulting risk being that they fall out of date or become insufficient. Even if the ISO were to create an internal process to undertake the same cadence of reviews, this non-authoritative process would not be subject to

[9] Reliability Standards Sync Up Project Rationale for Deviations from NERC-WECC Reliability Standards, pages 3 – 4.

[10] Milestone 3 Reliability Standards Sync Up Project Rationale for Deviations from NERC-WECC Reliability Standards, page 3.

[11] AUC Decision 30139-D01-2026, paragraph 51, accepted the removal of duplicate requirements based on the AESO's representations that each omitted requirement is covered by a functionally equivalent obligation in existing standards; that is not the case for examples listed below.

oversight by the applicable compliance monitor or subject to reliability standards enforcement if not completed.

Furthermore, the NERC version of requirement R6 mandates the balancing authority to provide the applicable documentation to the reliability coordinator. As written, this requirement ensures there is evidence of the processes, scenarios or methods, and operating plan(s) put together as a complete package and valid at a particular moment in time. Should an event occur, this time-stamped evidence could be crucial to determine what deficiencies may have contributed to the event. This evidence is not required to be generated or maintained in the Alberta proposed version of the standard, leaving this important historic record keeping at the discretion of the ISO.

Consolidation of functional entities - EOP-011-AB-4 – Emergency Operations

In the NERC version of the EOP-011-4 standard, requirement R1 ensures that transmission operators develop, maintain, and implement operating plan(s) to mitigate operating emergencies that have been reviewed by the applicable reliability coordinator. Requirement R2 imposes the same obligation on balancing authorities in relation to capacity emergencies and energy emergencies. The proposed Alberta version maintains both of these requirements but excludes critical elements of the review and feedback process performed by the reliability coordinator function as described below.

The NERC version of requirement R3 ensures a review by the reliability coordinator of all the balancing authority's and transmission operators' operating plans developed according to R1 and R2 to identify risks that arise between the operating plans. This step is important to ensure the combined emergency actions by the balancing authority and the transmission operators in a region during an emergency do not conflict or create new risks to reliable operations. In the proposed Alberta version, only the operating plans submitted by the transmission operators are subject to this review, there is no required review of the ISO's emergency operating plan(s) to identify risks that arise between it and those of the transmission operators.

The proposed standard similarly removes the language in requirement R4 that the balancing authority update their operating plan(s) for the risks identified by the reliability coordinator by a specified deadline and to maintain evidence of what risks were identified, what updates were made to the plan, and when those changes were made. While the ISO may establish an internal process to review its emergency operating plan(s) in the context of the plans provided by transmission operators, it would not be required to do so, it may not keep evidence of having done so, and it may not do so on a timely basis.

Similar to BAL-007, this reliance on an internal process outside of the oversight of the compliance monitor, not subject to reliability standards enforcement, and that is not required to generate time-stamped evidence may introduce risks and undermine the long-term reliability of the system.

Why is this important?

The consolidation of multiple NERC functional entities within the ISO has been cited by the AESO as the rationale for removing or modifying certain reliability standard requirements that would

otherwise apply between distinct entities. While the MSA recognizes that the ISO performs the roles of the reliability coordinator, balancing authority, planning coordinator[12], and transmission planner within a single organization, this integration does not, in and of itself, justify the removal of requirements that provide regulatory assurance, procedural discipline, and enforceable accountability.

Many of the removed requirements serve not only to facilitate inter-entity coordination, but also to establish clear expectations regarding internal processes. The elimination of these requirements replaces explicit, enforceable obligations with an implicit reliance on internal practices, policies, or procedures, which are not subject to the same level of regulatory scrutiny or compliance oversight.[13]

The removal of requirements that mandate periodic review and updating undermines a key mechanism for ensuring that reliability-critical documentation remains current and is responsive to evolving system conditions. In the absence of explicit regulatory requirements such reviews become discretionary, increasing the risk that the ISO will defer reviews and updates to its reliability practices when faced with conflicting priorities.

Should assurance be sought by the MSA that the ISO's internal processes that are not explicitly related to reliability standard requirements are not introducing or increasing risks to reliable operations[14], it would have to undertake a broad-based investigation rather than relying on regular self-certification or audit processes led by the compliance monitor. In such an investigation, where AUC Rule 027 specified penalties would not apply, the only enforcement option would be an AUC proceeding; both the investigation and any subsequent proceeding would possibly reflect a larger allocation of resources than implementing and maintaining the requirement in a reliability standard to begin with.

Is there a structural issue in relation to this type of localization?

In its review, the MSA noted that while the AESO conducts consultations for reliability standards that apply exclusively to the ISO, the comments, questions, and feedback about these standards have often been quite limited.

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[12] The most current version of NERC's *Appendix 2 to the Rules of Procedure (Definitions Used in the Rules of Procedure)* includes the term *Planning Authority* but does not define *Planning Coordinator*. In this context, any reference by the AESO to *Planning Coordinator* is understood to correspond to the NERC-defined term *Planning Authority*.

[13] AUC Decision 30139-D01-2026, paragraph 59, references existing practices in relation to FAC-014-AB-3 where external evidence is generated in the course of the AESO's internal processes that could substitute for direct evidence of the operation of the internal process. The examples discussed in this section do not have similar external communications that can substitute for direct evidence.

[14] AUC Decision 30139-D01-2026, paragraph 62, references the broader statutory obligations to direct reliable operations which is within the established mandate of the MSA to investigate.

Section 19(4) of the Transmission Regulation[15] requires the ISO to consult with those electricity market participants it considers are likely to be directly affected by a proposed reliability standard. In the case of standards that apply solely to the ISO, in many circumstances there are no market participants that are likely to be directly affected.

Section 19(6) of the Transmission Regulation[16] provides an opportunity for an interested party to raise concerns before the AUC that a proposed standard is technically deficient or not in the public interest. This mechanism has rarely been exercised, and in such cases, the burden of proof rests with the invoking party. Where it has been applied, the focus has generally been on expected direct impacts to the market participant. This structure results in proposed changes to the reliability standards or requirements that only apply to the ISO, and do not have a direct or obvious impact on other parties, progressing unopposed.

2. EXPANDED APPLICABILITY OF RELIABILITY STANDARDS

How are the applicability sections of NERC standards determined?

The reliability standards development section (300) of the NERC rules of procedure (ROP)[17] outlines the process and criteria used in the development of reliability standards, stating that that reliability standards must be technically excellent, timely, just, reasonable, not unduly discriminatory or preferential, in the public interest, and consistent with other applicable governmental standards. It further provides that the standards are intended to hold bulk power system owners, operators, and users accountable for the reliable operation of the bulk power system.

The applicability section (302.1) requires that each standard includes a section clearly identifying the functional classes of entities responsible for complying with the standard, including any specific inclusions or exclusions. This section also addresses the geographic scope of applicability (e.g., the entire North American bulk power system, an interconnection, or a region) and contemplates limitations based on electric facility characteristics.

The reliability objectives section (302.2) further requires a clear statement of purpose describing how the standard contributes to the reliability of the bulk power system.

The membership of NERC's Standards Committee, which manages the processes for the development of reliability standards, includes diverse representation and the development

[15] Before adopting or making reliability standards, agreements, criteria or directives under this section, the ISO must (a) consult with those electricity market participants that it considers are likely to be directly affected, and (b) forward the proposed reliability standards, agreements, criteria or directives to the Commission for review, with the ISO's recommendation that the Commission approve or reject them.

[16] 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.

[17] NERC Rules of Procedure, November 23, 2023.

process itself includes stakeholder comment periods during the drafting process in addition to the final comment and ballot process prior to seeking approval.

In summary, a specific requirement in a NERC reliability standard is developed to address a clearly defined reliability risk, with the applicability, including limitations and exceptions, chosen on a balance of criteria to address both the classes of entities subject to the standard in order to mitigate the risk and the geographic scope of the standard.

How is applicability of reliability standards set in the rest of North America?

A non-exhaustive review of the applicability sections of reliability standards adopted across both Canadian and US jurisdictions indicates that they generally rely on mapping and applicability frameworks grounded in the bulk electric system definition, and do not expand the applicability beyond the baseline construct established by NERC.

The AESO's proposal:

In the section titled *Applicable Entities* of the *Reliability Standards Sync Up Project Rationale for Deviations from NERC-WECC Reliability Standards* document prepared for both the high complexity[18] and milestone 3[19] packages, the AESO explains that they have replaced the common NERC defined terms for applicable entities with equivalent Alberta-specific terms for entities that are part of the bulk electric system, but also that in "specific cases detailed below, the AESO deviated from referencing the bulk electric system in the Applicability section."[20] As such, a number of standards included in the high complexity and milestone 3 packages include expanded applicability, resulting in considerable broadening of the types of electricity market participants as well as the range of facilities subject to the reliability standards.

The AESO's rationale for these expansions is generally framed in terms of the intended outcome (e.g., to include all transmission facilities in Alberta) or by reference to Section 15(1)(c) of the Transmission Regulation, which requires the ISO to monitor and ensure the overall reliability of the AIES.

The MSA observed the following substantive changes to applicability across the standards included in the high complexity and milestone 3 packages:

- Standards where applicability has been expanded from the bulk electric system, which mainly includes facilities operating at and/or connected at 100 kV and above, to the

[18] Reliability Standards Sync Up Project Rationale for Deviations from NERC-WECC Reliability Standards, pages 4 – 5.

[19] Milestone 3 Reliability Standards Sync Up Project Rationale for Deviations from NERC-WECC Reliability Standards, page 4.

[20] Reliability Standards Sync Up Project Rational for Deviations from NERC-WECC Reliability Standards (High Complexity), page 5.

transmission system which, in Alberta, consists of facilities operating at and/or connected at 25 kV and above.

- Standards where applicability has been expanded beyond the bulk electric system or from generation facilities connected at or above 60 kV to the Alberta Interconnected Electric System (AIES) which includes transmission facilities at 25 kV and above as well as electric distribution systems outside of the City of Medicine Hat with no minimum voltage threshold specified. This change brings owners of distribution systems, as well as generating facilities and energy storage resources connected to lower voltage systems, within the scope of reliability standards, entities that are not currently subject to such requirements under the NERC's framework.

- Applicability thresholds have been lowered to include generation and energy storage facilities as small as 5 MW, whereas comparable NERC standards apply to facilities with a minimum size of 20 MVA[21].

- Standards where applicability has been expanded to all owners of distribution systems from the NERC Distribution Provider[22], which only includes distribution provider systems that meet one of the following criteria: serve more than 75 MW of peak load, own, control, or operate specified protection systems, provide services related to a nuclear plant interface requirement, or has field switching personnel working outside of their normal duties to support a Transmission Operator restoration plan.

What are the implications of the proposal?

Expanded applicability

The application of reliability standards to entities and assets not subject to the current standards may result in improvements to the overall reliability of the interconnected electric system. However, the extent of the expected improvement and the cost to be incurred by the collective industry to achieve those improvements is not addressed in the published rationale for the changes. Beyond the direct financial impact to entities associated with establishing the processes, procedures, and personnel required to implement the standards and maintain properly documented ongoing compliance, all of which are ultimately recovered from rate payers, other implications of the change include:

- Increasing the barriers to entry for smaller entities and assets resulting in less competition and increased market concentration for entities with established Alberta compliance programs.

- Increased demand for scarce expert compliance personnel in Alberta.

[21] At a power factor of one, 20 MVA is equivalent to 20 MW.

[22] NERC Statement of Compliance Registry Criteria, page 7.

- Increased load on compliance monitoring and enforcement of a larger population of smaller assets; potentially reduced focus on more impactful compliance oversight of critical assets.

Inconsistent mapping

The following are two examples of inconsistent translations of applicability between the NERC and Alberta constructs which could result in gaps in the overall system of standards; while not the only such examples included in the packages, they are illustrative of the implications of this type of localization of the NERC standards.

For example, the applicability sections of NERC PRC-002-5 and PRC-004-6 include the Transmission Owner functional entity. In the Alberta version of PRC-002, this entity is established as the legal owner of a transmission facility that is part of the bulk electric system (100 kV or higher), thereby maintaining alignment with the NERC scope. In contrast, in PRC-004, the proposed applicability is the legal owner of a transmission facility (25 kV or higher), resulting in a wider applicability. The high complexity package rationale document does not address why PRC-002 was not changed to align with the rationale expressed for the change to PRC-004.

A similar pattern is observed for generation-related functional entities. The Alberta version of PRC-002 maintains alignment with NERC by defining Generator Owner applicability in terms of the legal owner of a generating unit, an aggregated facility, and an energy storage resource that is not an inverter-based resource and is part of the bulk electric system. By comparison, the Alberta version of PRC-004 defines these entities more broadly as the legal owner of a generating unit, an aggregated facility, and an energy storage resource that is either directly connected to the interconnected electric system or to transmission facilities or electric distribution systems within the City of Medicine Hat, with a maximum authorized real power rating greater than or equal to 5 MW.

In addition to the concern about inconsistencies being introduced to the system of reliability standards by changed applicability, there is a potential issue that the requirements in standards with changed applicability should also change, given the requirement was developed in the context of that original applicability. The information provided in the high complexity and milestone 3 packages give high-level explanations of the rationale for the changes to applicability in each standard, but not on why the requirements in each standard (or in other related standards) were changed to reflect a new balancing of the standard development criteria in accordance with the changed applicability.

Why is this important?

As described above, changes to the applicability of reliability standards can have far ranging impacts to the system of standards in Alberta, to the costs ultimately incurred by rate payers, to the diversity of participants in the market, and to compliance monitoring and enforcement within Alberta. While the proposed changes may be warranted given the regulatory regime and expected improvement in reliability (i.e. in the public interest), there is not enough information publicly

available to determine whether that is the case with the proposed high complexity and milestone 3 packages.[23]

Are there structural issues in relation to this type of localization?

Reliance on overall reliability obligation

Section 15(1)(c) of the Transmission Regulation, referenced in both the high complexity and milestone 3 packages as a rationale for the expansion of applicability, establishes the AESO's obligation to monitor and ensure the overall reliability of the interconnected electric system.

The language specifies ensuring overall reliability rather than the reliability of any given element of the system, implying that there must be a threshold of assets or entities below which overall reliability is not significantly impacted by their performance. The reliance on this section of the Transmission Regulation alone to expand the applicability of reliability standards without establishing whether the expected impact to overall reliability is worth the potentially considerable costs makes it difficult to establish whether the proposal is in the public interest, as required by section 19(6) of the Transmission Regulation.

No publication of the required section 21(3) analysis

Section 21(3)(a) of the Transmission Regulation requires that the ISO consider whether the standards are capable of applying in Alberta and section 21(3)(b) requires that, when participating in the development, adoption, or modification of reliability standards, the AESO must ensure, to the extent reasonable, that any new or modified standard applicable in Alberta does not result in a material change to the framework for the electricity market.

The information provided in the high complexity and milestone 3 packages does not include an analysis demonstrating how these legislative requirements have been assessed, such analysis demonstrates that the AESO has fulfilled these obligations prior to filing the standards for approval with the Commission and is also an important source of information to determine whether the proposed changes are in the public interest.

3. INCONSISTENT APPROACH TO INFORMATION DOCUMENTS FOR ADDITIONAL GUIDANCE

How is non-authoritative guidance addressed by NERC?

NERC recognizes that a key factor in the effectiveness of compliance monitoring and enforcement of reliability standards is the establishment of a common understanding among entities and NERC and regional entities' compliance monitoring and enforcement program staff regarding how

[23] AUC Decision 30139-D01-2026, paragraph 20, encouraged a clear rationale be made public for changes such that parties can assess the proposed standard, including whether it is in the public interest.

compliance can be achieved and demonstrated. While expectations are straightforward for many standards, others allow for a range of approaches that may achieve the same reliability objective.

To support a consistent interpretation and application of standards, NERC relies on several forms of guidance,[24] including Implementation guidance, which provides examples of how standards may be implemented.

Implementation guidance is developed by industry for industry, vetted through pre-qualified organizations, and subject to NERC endorsement. It provides examples and potential approaches to implementing a reliability standard. Importantly, it is not prescriptive, and entities remain free to adopt alternative approaches better suited to their specific circumstances, provided that compliance can be demonstrated.

This guidance is developed and made available either prior to a standard coming into effect or progressively as implementation, compliance monitoring, and enforcement activities evolve. NERC emphasizes that implementation guidance does not, in any form, constitute interpretations of the standards.[25]

In addition, guidance may be embedded within the standards themselves, typically in the guidelines and technical basis or technical rationale sections, and this material provides insight into how the standard drafting team approached and considered specific technical issues during the development of the standard. These sections are not enforceable requirements and are intended to support understanding rather than prescribe compliance obligations.

Lastly, NERC provides additional compliance guidance in the form of manuals, white papers, frequently asked questions (FAQs), and lessons learned, captured under general guidance. These resources further support a common understanding of reliability standards and their practical application.

North American jurisdictional scan:

Entities subject to NERC reliability standards, including those in Canadian jurisdictions, are able to and do participate in the development of implementation guidance.

The AESO's proposal:

The AESO does not have a similar, formalized approach for providing implementation guidance to the industry. A review of publicly-available information on its website indicates a primary reliance on information documents (IDs), which are generally established for a particular reliability standard. The content of these IDs varies and includes references directing industry to NERC guidance, the AESO's understanding of the requirements, technical and technology-related comments or clarifications, and guidance directing industry to where or how required information

[24] NERC Compliance Guidance website

[25] Compliance Guidance Frequently Asked Questions

is to be provided. Compliance monitoring information in relation to the standards is limited in scope and focuses primarily on lessons learned.

Throughout the high complexity and milestone 3 related engagements with the industry, the AESO has continued to reiterate its reliance on the existing system of IDs with no formal mechanism or explicit commitment established to ensure that such information is developed and released in a consistent and timely manner to support the effective and efficient implementation of the standards.

What are the implications of the proposal?

In the absence of a formalized and timely process for incorporating implementation and compliance monitoring guidance into the Alberta reliability standards framework, there is an increased risk of inconsistent interpretation and implementation of requirements.

Why is this important?

With the increasing pace of reliability standards adoption stemming from the sync up project, the burden on the implementing organization is also increasing. Ensuring that implementation guidance specific to the Alberta context is available in a consistent and timely manner would reduce the risk of inconsistent interpretation and incorrect implementation.

4. SUMMARY

The MSA appreciates the AESO's efforts to reach and maintain alignment with NERC standards' content, defined terms, and templates. The MSA encourages the AESO and other parties considering the high complexity and milestone 3 packages to further evaluate whether the consolidation and removal of requirements applicable to the ISO, the changes to the applicability of reliability standards, and the use of information documents will deliver the desired reliability outcomes.

For any questions regarding the comments above, please contact Mike Morganton, Executive Director, Enforcement.

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APPENDIX A

The MSA observed the additional two types of localization changes discussed below from the AESO's high complexity and milestone 3 packages.

Opportunities to consistently define terms

The MSA observed increased alignment in the high complexity and milestone 3 packages with NERC defined terms. While this work is both necessary and commendable, similar to the commentary about changes to applicability above, the extent to which a defined term is not implemented in Alberta or where a definition has changed, the impact to the whole system of standards may be to introduce gaps or inconsistencies.

A review of the terms defined in NERC's glossary and not adopted in Alberta includes demand-side management, facility, load, and system, alongside with reliability coordinator, reliability coordinator area, and transmission planner. There are also terms where the defined term is the same, however the definitions differ, mainly as related to generator and transmission owner and operator.

To the extent possible, minimizing discrepancies between NERC defined terms and those in Alberta would reduce industry burden by limiting the need to map, interpret, and engage extensively during the standards development and adoption process.

Authoritative content in information documents

In some instances, the AESO has relocated authoritative content from the standard itself into an Information Document. For example, in CIP-003 the AESO removed the note in Requirement R2 stating that an inventory, list, or discrete identification of low impact BES Cyber Systems (BCS) or their BES Cyber Assets is not required either is a list for authorized users. The AESO's rationale was that the note was explanatory rather than authoritative and was removed to align with its drafting principles.

This change does not properly reflect how NERC standards operate; under the NERC framework, all content contained within the Applicability and Requirements sections of a standard, including notes, is mandatory and enforceable once the standard is in effect. Notes embedded within requirements serve to clarify intent and scope and carry the same authoritative weight in guiding compliance monitoring and enforcement obligations and outcomes.

Relocating content to an information document introduces ambiguity and compliance risk for market participants where they will not know with certainty how their implementation will be perceived by the compliance monitor or enforcement agencies. Information documents are explicitly non-authoritative and cannot establish, modify, or limit compliance obligations.

In effect, the removal of clarifying notes from the standard weakens regulatory certainty and increases the risk that enforcement based on the authoritative content will be inconsistent with the non-authoritative guidance given in the information document.