June 23, 2021

To Market Participants and Other Interested Parties

Dear Stakeholder:

Re: **Planned Adjustments to Loss Factors Established for 2021 Under Section 501.10 of the ISO Rules, *Transmission Loss Factors* ("Loss Factor Rule")**

The AESO advises market participants and other interested parties that it plans to adjust loss factors established for 2021 under the Loss Factor Rule, with the adjustments expected to become effective on August 1, 2021.

The AESO recently assessed changes that have occurred to generating facilities included in the information used to establish the loss factors for 2021 that were published on November 30, 2020. The AESO anticipates that those changes will result in an increase or decrease of 0.25 or more percentage points to the loss factors established for one or more locations for 2021. The AESO has accordingly determined it should adjust the affected loss factors in accordance with subsection 2(4)(a) of the Loss Factor Rule.

The changes to generating facilities include:

- changes to in-service dates:
- changes to capacities;
- additions of generating facilities that were not originally included; and
- removal of generating facilities when in-service dates have been delayed beyond 2021.

The changes are summarized in the tables below, with the changes in Table 1 bolded to aid identification.

Table 1 – Changes to Generating Facilities Included in 2021 Loss Factors Posted on November 30, 2020

Included in Posting on Nov 30, 2020			To Be Included in Update for Aug 1, 2021		
Location (MPID)	In-Service Date	Capacity	Location (MPID)	In-Service Date	Capacity
0000038511	Existing	1.0 MW STS	0000038511	**2021-10-01**	**29.5 MW STS**
Proj_1647	2021-02-01	103 MW MC	Proj_1647	**2021-09-01**	103 MW MC
Proj_1837	2020-10-01	14.0 MW STS	Proj_1837	**2021-09-01**	14.0 MW STS
Proj_1840	2020-11-01	23.0 MW STS	**0000027511**	**2021-07-01**	23.0 MW STS
Proj_1849	2020-12-01	10.5 MW STS	**0000036811**	**2021-02-01**	**25.0 MW STS**

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Included in Posting on Nov 30, 2020			To Be Included in Update for Aug 1, 2021		
Location (MPID)	In-Service Date	Capacity	Location (MPID)	In-Service Date	Capacity
Proj_1879	2020-11-01	132 MW MC	**CLR1**	**2021-01-01**	**58 MW MC**
			CLR2	**2021-01-01**	**75 MW MC**
Proj_2009	2020-12-01	400 MW MC Staged	Proj_2009	**2021-12-01**	400 MW MC Staged
Proj_2041	2021-06-01	220 MW MC	**WRW1**	2021-06-01	**207 MW MC Staged**
Proj_2086	2020-12-01	13.0 MW STS	Proj_2086	**2021-11-01**	13.0 MW STS
Proj_2092	2020-12-01	12.0 MW STS	Proj_2092	**2021-11-01**	12.0 MW STS
Proj_2171	2020-11-01	18.4 MW STS	**0000010711**	**2021-03-01**	18.4 MW STS
Proj_2241	2020-11-01	15.0 MW STS	**0000036811**	**2021-01-01**	15.0 MW STS

Table 2 – Additions to Generating Facilities That Were Not Included in 2021 Loss Factors Posted on November 30, 2020

Location (MPID)	In-Service Date	Capacity	Facility Name	Area Name	Number
0000042111	2021-06-01	13.0 MW STS	FortisAlberta Reversing POD - Hays (421S) [Proj_1839]	Vauxhall	52
0000042811	2021-08-01	16.0 MW STS	FortisAlberta Reversing POD - Namaka (428S) [Proj_1932]	Strathmore	45
0000052611	2021-06-01	16.0 MW STS	FortisAlberta Reversing POD - Buffalo Creek (526S) [Proj_2272]	Wainwright	32
Proj_1831	2021-09-01	17.0 MW STS	FortisAlberta Reversing POD - Vulcan (255S)	Stavely	49
Proj_1850	2021-09-01	22.0 MW STS	FortisAlberta Reversing POD - Coaldale (254S)	Lethbridge	54
Proj_1851	2021-09-01	20.0 MW STS	FortisAlberta Reversing POD - Monarch (492S)	Lethbridge	54
Proj_1918_1959	2021-08-01	36.0 MW STS	FortisAlberta Reversing POD - Conrad (135S)	Vauxhall	52
Proj_2029_2030	2021-11-01	37.0 MW STS	FortisAlberta Reversing POD - Strathmore (151S)	Strathmore	45
RTL1	2021-11-01	114 MW MC Staged	Rattlesnake Ridge Wind Facility [Proj_2212]	Medicine Hat	4
SET1	2021-03-01	20 MW MC	South Edmonton Terminal	Edmonton	60
WHT2	2021-08-01	151 MW MC Staged	Whitla Phase 2 Wind Facility [Proj_1800-2 and Proj_2338]	Medicine Hat	4

Table 3 – Removal of Generating Facilities That Were Included in 2021 Loss Factors Posted on November 30, 2020, Due to Expected In-Service Dates Being Later Than December 31, 2021:

Location (MPID)	In-Service Date	Capacity	Facility Name	Area Name	Number
Proj_1812	2020-11-01	200 MW MC	Forty Mile Granlea Wind Facility	Medicine Hat	4
Proj_2216	2020-12-01	10.5 MW STS	FortisAlberta Reversing POD - Chappice Lake (649S)	Medicine Hat	4

The AESO is currently updating the data and system topologies used to calculate loss factors to reflect the changes, additions, and removals summarized above, and will then calculate loss factors using the updated information. The AESO does not expect the average loss factor for the transmission system to increase or decrease by 0.25 or more percentage points, which is the threshold established in subsection 2(4)(b) of the Loss Factor Rule beyond which loss factors for all locations may be adjusted.

However, as noted above, the AESO does expect that loss factors for one or more locations for 2021 will increase or decrease by 0.25 or more percentage points, which is the threshold established in subsection 2(4)(a) of the Loss Factor Rule beyond which the loss factor for an individual location may be adjusted. The AESO expects to adjust the loss factor for every location where the loss factor increases or decreases by 0.25 or more percentage points as a result of the loss factor calculation reflecting the changes, additions, and removals of generating facilities summarized above.

The AESO expects to complete the loss factor calculation and publish the adjusted loss factors before the end of July 2021. The adjusted loss factors will then become effective on August 1, 2021 for the remainder of 2021 in accordance with the Loss Factor Rule.

Stakeholders can access 2021 loss factor data, results, and related information on the AESO website at www.aeso.ca ► Grid ► Grid-Related Initiatives ► Loss factors ► 2021 loss factors. Loss factor stakeholder updates and related information are available at www.aeso.ca ► Grid ► Grid-Related Initiatives ► Loss factors ► Stakeholder engagement.

The AESO will provide further stakeholder updates when additional information becomes available. In the meantime, stakeholders may contact Milton Castro-Núñez at milton.castro-nunez@aeso.ca or John Martin at john.martin@aeso.ca with any concerns or questions.

Yours truly,

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