

Proposed Amended Section 501.3 of the ISO Rules, *Abbreviated Needs Approval Process* (“Section 501.3”)

Date of Request for Comment:	April 17, 2018
Period of Comment:	April 17, 2018 through May 3, 2018

ISO Rules	Market Participant Comments and/or Alternate Proposal	AESO Replies
<p>Amended</p> <p>The AESO is seeking comments from market participants with regard to the following matters:</p> <ol style="list-style-type: none"> Do you agree or disagree with the proposed amendments to Section 501.3? If you disagree, please provide comments. Are there any subsections where the language does not clearly articulate the requirement for either the AESO or a market participant? If yes, please indicate the subsections and suggest language that would improve the clarity. 	<p>AltaLink (“AltaLink”)</p> <p>AltaLink generally agrees with the proposed amendments. AltaLink has the following suggestions for modifications:</p> <ol style="list-style-type: none"> AltaLink does not understand why there is specific transmission requirements such as no fence expansion, line reconfigurations within 300 m for projects with System Access Service Requests (SASRs) and no such requirements for transmission projects without SASR’s. Please remove this requirement. <p>AltaLink would like a similar approach for customer or system projects and for there not to be a differentiation based on a SASR being issued.</p> <p>Furthermore, in AltaLink’s view, any requirement relating to the physical assets (all within an existing substation fenced area, and through line reconfigurations within 300 m of the substation) is a matter related to the current physical assets at the Transmission Facility Owner’s (TFO) site and not the technical solution which forms part of the Needs Identification Document (NID).The AESO’s responsibility within the Abbreviated Needs Approval Process (ANAP) is with approving the technical solution within the NID, and the TFO’s responsibility is with the approval of the physical assets in the Facility Application (FA). As a result, the ANAP should not be dependent on the current physical assets at site but rather the technical solution.</p> <p>In the event the AESO does not remove the requirement above, AltaLink seeks to understand the rational for choosing “no fence expansion” and “line reconfigurations within 300m” as the criteria for</p>	<ol style="list-style-type: none"> The proposed eligibility criteria for approval of a transmission project that responds to a System Access Service Request (SASR) under the abbreviated needs approval process (ANAP) does not include a maximum amount of participant-related costs because of the lack of ratepayer impact associated with such projects. The AESO considers the specific transmission requirements set out in subsection 2(a) of the proposed rule to be appropriate, as they will ensure that only projects with very limited land and environmental impact may be approved -- while still allowing for a range of different projects (for e.g., additions and replacements of transformers and associated substation equipment, and minor line reconfigurations) to be approved under the ANAP. <p>Conversely, per subsection 2(b) of the proposed rule, a transmission project that does not respond to a SASR (commonly referred to as a “system” project) can only be approved under the ANAP if the costs are estimated to be less than \$5M in the related service proposal. The AESO considers a monetary requirement to be necessary for system projects, in order to properly limit the impact upon Alberta ratepayers that is associated with ANAP projects (which may be approved without a regulatory proceeding). The AESO also considers that this amount will limit the size and potential land impact of eligible</p>

	<p>determining if an ANAP process can occur for a SASR project. In addition, AltaLink seeks to understand the rationale on why this is a requirement for SASR projects and not system projects. Please explain.</p>	<p>system projects without the need for any specific transmission requirements.</p> <p>The allowance for line reconfigurations within 300 metres in subsection 2(a)(iii) was chosen based on information received by the AESO from several transmission facility owners (TFOs) regarding the maximum distance of the first two structures, whether tangent or dead end/angle structures, that typically exit a substation fenced area. Information for a total of 35 existing substations, with high side voltages of 240, 138/144 or 69 kV, was provided. Based on the information received, the AESO believes that projects that involve realigning up to the first two structures outside the substation fenced area will have only minimal land impact, and should be ANAP eligible to facilitate the potential approval under the ANAP of a meaningful range of SASR projects.</p>
	<p>2. AltaLink suggests a change to 3(1) and it should state “The ISO must, prior to approving the need for a transmission facility”. This is to ensure consistency with Section 2 and to provide clarity that the AESO is not approving the whole project. The AESO should make this consistent throughout so there is no confusion on what the AESO is approving. See Section 3 and 4 of the proposed amended rule.</p>	<p>2. Agreed. The AESO will update throughout to clarify the nature of the approval.</p>
	<p>3. AltaLink suggests a change to 3(2) to state “has concerns or objections with the need for a transmission facility that, as determined by the ISO, have not been resolved.” In AltaLink’s view, any concerns with the FA could be determined as part of the AUC process with the TFO and is not intended to be part of the need process.</p>	<p>3. Agreed. The AESO will update subsection 3(2) to clarify the nature of the approval.</p>
	<p>4. AltaLink requests a time limit for an approval letter to be issued to the TFO be added to the rule to ensure an efficient process. AltaLink suggest the following be added to Section 4(2)(b) “provide, within 7 days of approval, the legal owner of a transmission facility who is eligible to apply for construction or operation of a transmission facility in the applicable geographic area, as determined under Section 24(1) of the Transmission Regulation, with a copy of the approval letter described in subsection 5(2)(a).” AltaLink requests similar language for Section 4(3).</p>	<p>4. The AESO does not consider this timeline to be necessary. The approval letter is generally issued by the AESO in a timely manner in accordance with the project schedule that has been agreed to between the AESO and TFO project managers.</p>

	<p><u>TransCanada Energy Ltd. (“TCE”)</u></p> <p>5. TCE appreciates the opportunity to provide its comments on the proposed amendments to Section 501.3 Abbreviated Needs Approval Process. TCE has reviewed Section 501.3 and does not support the proposed change to sub-section 2(a)(v).</p> <p>The proposed revisions to section 2(a)(v) remove the limitations on a project that causes transmission congestion from receiving an approval under the abbreviated needs approval process. This was, and continues to be, a significant concern for TCE.</p> <p>It is not enough to simply require that the studies for a project are conducted in accordance with reliability standards. Rather, it is the results of the studies that are important. If a project, regardless of the size and cost, causes transmission constraints that impact other market participants, the project should not be eligible for an abbreviated needs approval. Projects that cause transmission constraints negatively affect other market participants. These market participants have a right and a need to understand how they will be impacted by the new project and the resulting congestion. The only visibility market participants have of the impact of the new facility or the occurrence of congestion on them, is through reviewing the engineering study reports that are filed with the AUC as part of the Needs Identification Document (NID).</p> <p>The participant involvement program (PIP) requirements do not ensure that impacted market participants will be notified or consulted. The PIP requirements place an obligation on the proponent to consult with stakeholders that are within an identified geographic radius, which does not reflect the ability of that project to impact stakeholders that are electrically connected to the facility albeit not within the geographic radius.</p> <p>Further, in cases where there are multiple connection alternatives, the Alberta Utilities Commission (AUC) should have the opportunity to consider the merits of the different alternatives and determine which one best supports the public interest.</p> <p>For example, imagine a scenario where there were two connection alternatives: The first does not cause congestion but would cost the proponent \$20M; the second causes congestion of 100 MW but</p>	<p>5. As contemplated by subsection 3(1)(a) of the proposed rule, the AESO notifies stakeholders of ANAP-eligible projects in accordance with the participant involvement program (PIP) requirements applicable for needs identification documents (NIDs) in Alberta Utilities Commission (AUC) Rule 007.</p> <p>In the AESO’s view, the above-noted PIP requirements require the AESO to notify any market participants that may have an interest in the proposed project, including any market participants that may be negatively impacted by a new connection to the transmission system as a result of any post-connection congestion or other transmission constraints that the AESO anticipates may arise. This requirement applies regardless of a market participant’s geographic location.</p> <p>Additionally, subsection 3(b) of the proposed rule will require the AESO to provide fourteen days’ notice, by way of a website posting, of the AESO’s intention to consider the need for a transmission facility project and the proposed transmission development to meet the need for approval under the ANAP.</p> <p>Consequently, prior to approval of a transmission project under the ANAP, market participants will receive the same notifications and opportunity to ask questions of the AESO that they would for a project that requires a NID. In accordance with subsection 3(2) of the proposed rule, if the AESO is unable to resolve the concerns of a market participant or other stakeholder that has been notified by the AESO, then the AESO will be prohibited from approving the applicable project under the ANAP. Approval of the need for the transmission project would then be required to proceed by way of a NID application filed with the AUC.</p> <p>The AESO does not consider the hypothetical described by TCE to be realistic, because it does not account for the cost of the transmission project that would be required to mitigate the 100 MW of congestion through a (likely significant) system project. Should the AESO’s studies indicate that congestion in excess of the legislated limits may arise following the connection of a transmission project, the AESO would be required to address the congestion through either a NID filed with the AUC and/or an</p>
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