

Proposed Amended Section 501.10 of the ISO Rules, *Transmission Loss Factors*

Date of Request for Comment:	<u>October 11, 2017</u>
Period of Comment:	<u>October 11, 2017</u> through <u>October 26, 2017</u>

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> <p>1. Do you agree or disagree with the proposed Section 501.10? If you disagree, please provide comments.</p>	<p><u>Milner Power Inc. ("Milner")</u></p> <p>1. Milner supports the proposed Section 501.10 which provides an interim amendment to the Transmission Loss Factor rule.</p>	<p>1. The AESO acknowledges this comment.</p>
	<p><u>TransCanada Energy Ltd. ("TCE")</u></p> <p>TCE appreciates the opportunity to provide comments on the AESO's proposed interim rule change and agrees with the general principal that the threshold for the inclusion of new projects in system topologies be the issuance of a permit and license by the date the topologies are created. TCE also supports a robust consultation process to develop a set of final project inclusion criteria. While TCE supports the proposed rule change, it provides the following minor suggestions that TCE believes will provide additional clarity and reduce the likelihood of mid-year loss factor adjustments.</p> <p>2. TCE understands that the proposed changes to Section 7, as they relate to new source or sink assets, are intended to exclude such assets if the criteria established in Section 7 are not met. For example, if a new source asset that required a new substation had not received its permit and license by the date the topology was created, it would not be included in the topology. TCE understands this to mean that the AESO would not calculate a loss factor for this source asset until the inclusion criteria had been met. On this basis, TCE recommends that Sections 6(1)(c) and 6(2)(c) be amended to clarify that the "expected in-service date" is established pursuant to the criteria contained within Section 7.</p>	<p>2. TCE's understanding is correct. The AESO intends that the subsection 7 criteria be considered when expected in-service dates are established under subsection 6, but is limiting the rule amendments to just subsection 7 at this time. The AESO intends to consider amendments to other subsections during the stakeholder sessions in 2018.</p>

	<p>3. TCE supports the addition of Section 7(4) that provides the AESO reasonable discretion to include or exclude <u>transmission facilities</u> within a topology. TCE understands that this discretion is intended to address issues such as those that arose in the development of 2017 loss factors where certain source assets that were initially included in the topologies would have been excluded had the AESO been able to exercise its reasonable discretion. TCE is concerned that the scope of the proposed language in Section 7(4), which limits the discretion to transmission facilities, is too narrow and would fail to address the issue encountered in 2017. TCE recommends that the scope of the language in Section 7(4) be expanded to included transmission facilities and source and sink assets.</p> <p>4. Section 6 of the rule requires the AESO to estimate the hourly profile for any new source asset. TCE recommends that the AESO identify each of the new source asset additions. Currently, It is left to market participants to compare base cases and worksheets from other years to identify such additions, which makes it more difficult to determine if the AESO's estimates are reasonable and may reduce the likelihood of mid-year loss factor adjustments</p>	<p>3. The AESO agrees and has amended subsection 7(4) to include sink and source assets. The AESO considers this to be a clarifying amendment that does not change the outcome of subsection 7.</p> <p>4. As stated in the AESO's October 11, 2017 Letter of Notice, the AESO will publish a list of the projects impacted by the amended Section 501.10 during the development of the 2018 loss factors. The project additions will therefore be visible to market participants.</p>
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