

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

Date of Request for Comment: October 11, 2017

Period of Comment: October 11, 2017 through October 26, 2017

Comments From: TransCanada Energy Ltd (TCE)

Date [yyyy/mm/dd]: 2017/10/26

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Listed below is the summary description of changes for the proposed amended Section 501.10. Please refer back to the Letter of Notice under the "Attachments to Letter of Notice" section to view the actual proposed content changes to the ISO rules. Please place your comments/reasons for position underneath (if any).

ISO Rules

Amended

The AESO is seeking comments from market participants with regard to the following matters:

 Do you agree or disagree with the proposed Section 501.10? If you disagree, please provide comments.

Market Participant Comments and/or Alternate Proposal

Comment # 1:

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.

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 inservice date" is established pursuant to the criteria contained within Section 7.

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.
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