

April 12, 2023

To Market Participants and Other Interested Parties

Dear Stakeholder:

Re: **Investigation of Adjustments to Loss Factors Established for 2023 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 is investigating if an adjustment to loss factors established for 2023 under the Loss Factor Rule is required, with results expected to become available in May. If adjustment is required, the AESO expects the revised loss factors to be effective on June 1, 2023.

The AESO is assessing if changes that have occurred to generating facilities included in the information used to establish the loss factors for 2023, that were published on September 29, 2022, would result in an increase or decrease of 0.25 or more percentage points to the loss factors established for one or more locations for 2023. Accordingly, affected loss factors will be adjusted 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;
- addition of generating facilities that were not originally included; and
- removal of generating facilities when in-service dates have been delayed beyond 2023.

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 2023 could 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 due to the loss factor calculation reflecting the changes, additions, and removals of generating facilities summarized above.

The AESO expects to complete this assessment and if applicable publish the adjusted loss factors before the end of May 2023. The adjusted loss factors will then become effective on June 1, 2023 for the remainder of 2023 in accordance with the Loss Factor Rule.

Stakeholders can access 2023 loss factor data, results, and related information on the AESO website at www.aeso.ca ► Grid ► Grid-Related Initiatives ► Loss factors ► 2023 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 Brittany Dugas at Brittany.dugas@aeso.ca or Ping-Kwan Keung at ping-kwan.keung@aeso.ca with any concerns or questions.

Yours truly,

Ping-Kwan Keung
Manager, Standards & Modeling

cc: Jasmin Judge, Director, Grid Reliability Services, AESO
Brittany Dugas, Engineer-in-Training, AESO