

2007 Transmission Regulation: Changes and its Impact on Loss Factors

May 30, 2007

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2007 TREG – Part 6, Loss Factors, Operations Forecasting



- Purpose and Scope of Discussion
- Background
- Proposed Timeline
- Transmission Regulation – Summary of Changes
- The AESO Plan for Changes to Rule
- Next Steps
- Questions

Purpose and Scope - Stakeholders



- The purpose of our discussion today is to identify the main considerations in the 2007 Regulation
 - Changes in the Rule will result
- Policy and position will start to be determined shortly
- Scope:
 - 2007 TREG changes and discussion
 - Other previously discussed options for Rule changes
 - AESO Rule process (Lite) discussion and effects on timeline
 - Discussions on web based calculator (cost and timeframe issue)
 - Other?

Background



Timeline (High Level) of TREG Change Implementation - Tentative



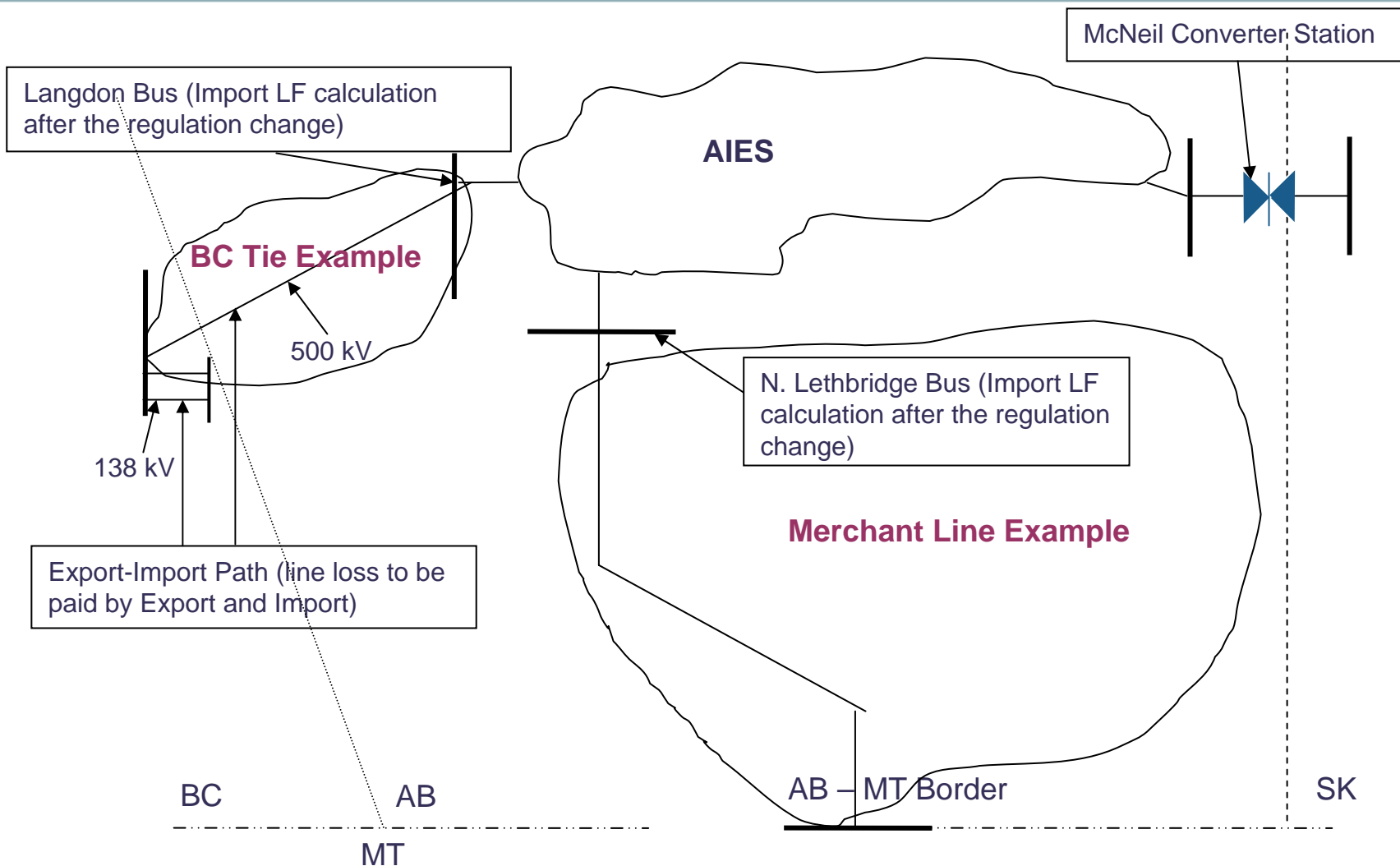
- **April 2007 – CRITICAL PATH:**
 - TREG ready, discussions start
- **May 2007:**
 - Meeting with Stakeholders – start the conversation on changes
 - Align TREG Loss Factor changes within AESO TREG initiative
- **July 2007:**
 - Open Rule for LF changes and provide options for Stakeholders
 - Other Rule changes examined
- **September 2007:**
 - Close Rule Change Consultation
 - Start loss factor software changes
- **October 2007:**
 - ERC Approval
- **January 2008:**
 - Test software and integrate
- **March 2008:**
 - Confirm changes, prepare draft results. Then complete project or review as necessary
- **October 2008:**
 - Use new calculation on 2009 loss factors.

Summary of 2007 Transmission Regulation Changes, Loss Factors



- Current average loss factor methodology will be applied for
 - Generator (existing calculation)
 - Import
 - DOS
- Export will not be charged/credited through loss factor
- Import and Export will pay the average line losses incurred in the defined Import/Export path (path is any line or group of lines)
- The IOS will incur a loss factor and a loss calculation and the EOS will incur a loss calculation
- The IOS/EOS loss calculation in the path yet to be defined
- Changes are effective from January 01, 2009

Summary of 2007 Transmission Regulation Changes, Loss Factors...2



The Plan - Consultation: 2007 Transmission Regulation AESO Suggested Actions



Stakeholders' consultation

- We are on the critical path already
- Presentation for Stakeholders and discussion
- Rule changes with 2007 TREG – Level 1 change
- Rule changes independent of TREG (multi-year GSO, delta load/generation, etc.)
- Discussion paper can be the existing Rule, with changes tracked
- Teshmont has been retained for technical consultation

The Plan - Consultation: 2007 Transmission Regulation AESO Suggested Actions...2



- Define Import/Export path for all inter-ties and Merchant lines
- Formulate a method for the recovery of losses incurred in the Import/Export path
- DOE consultation if necessary

The Plan: 2007 Transmission Regulation AESO Suggested Actions - Detail



Item*	Change	Proposed Treatment
Generator LF 31(1)	No Change	Continue the existing process
Import LF 36 (b) and (c)	LF – pays for average impact rather than total impact Loss – pays for average tie line loss	LF – treated as a generator Loss – average loss
Export LF 36 (c)	LF – does not apply Loss – pays for average tie line loss	LF – no calculation required Loss – average loss
DOS LF 36 (d)	LF – pays for average impact rather than total impact	LF – treated as negative generator
Tie Line Loss	Recovered by Export/Import	Average loss
Tie Flows in Base Cases	Tie flows exist in Base Cases	Ensure in the determination of the inter-tie paths the models are represented accurately
Charges and Credits 31 (2) (g)	Limits have changed to +/- 12%	Implement as stated
Abnormal Operation 31 (3)	Explicitly stated	Implemented previously

* all references are to the 2007 TREG

Rule Maintenance Considerations – Non-Transmission Regulation Related



Item*	Consideration	Possible Treatment
Load or Generation Scaling in Base Case	Merits of modifying load or generation to meet base case solution	May be less of an issue as the tie lines will be able to move with load variations.
Clearer Criteria for Tie-line or Generation additions	For base cases in the next/fifth year additions, do clearer rules for asset additions need be considered?	Suggestions?
Historical Data for GSO	Consideration has been requested previously for multi-year hourly data aggregation	The H values as defined will be difficult to address in a multi-year treatment. Further historical data is being used already
Threshold for Changes in LF 31 (2) (b)	The threshold for changes to the loss factors is not appropriate	Increase, decrease, remove

Tie Flows – Historical Data*



2007 Tie Flows (Data June 01, 05 – May 31, 06)

MPID	Winter			Spring			Summer			Fall		
	High	Medium	Low	High	Medium	Low	High	Medium	Low	High	Medium	Low
BCHEXP	0.0	0.7	77.9	1.2	8.9	37.4	0.3	95.8	300.0	0.0	3.7	141.0
BCHIMP	395.3	111.5	8.0	167.1	153.2	59.6	330.4	119.3	26	381.4	226.3	36.4
SPCEXP	1.4	1.4	4.4	1.3	4.6	4.0	23.0	4.8	0.0	0.8	0.3	0.2
SPCIMP	66.2	57.2	41.5	58.8	43.4	51.8	27.2	63.9	60.6	76.8	72.1	95.1

2008 Tie Flows (Data June 01, 06 – February 28, 07)

MPID	Winter			Spring			Summer			Fall		
	High	Medium	Low	High	Medium	Low	High	Medium	Low	High	Medium	Low
BCHEXP	3.4	60.4	342.5				0.0	48.0	48.1	6.0	14.9	158.4
BCHIMP	223.9	88.8	12.6				428.0	172.5	148.8	320.5	175.7	48.5
SPCEXP	9.4	8.1	12.1				24	28	0.0	5.0	22	3.0
SPCIMP	30.9	36.8	35.0				84.1	57.3	88.9	28.5	42.9	24.7

* Calculated as per the GSO process

Next Steps – Dates Tentative



- Receive Comments from Stakeholders by June 08, 2007
- 2007 LF re-runs results will be provided regularly based on TREG
- Stakeholders Meeting on Discussion Paper, June 18, 2007. Detailed plan
- Discussion Paper to Stakeholders for Comments by July 4, 2007
- Receive Comments from Stakeholders on Discussion Paper by July 13, 2007
- Submission Draft to IRC3/ERC and stakeholders by July 24, 2007
- Stakeholders Consultation, September 11 – September 28, 2007
- Receive Comments from Stakeholders on Draft by October 03, 2007
- Submission Final Draft to IRC/ERC by October 10, 2007
- Rule completion in November 2007 – software and normal process in 2008

Questions

- Any areas requiring action not yet identified?
- Frequency and medium of updates (virtual, meetings?)