

AESO Rule Consultation

Loss Factors Rule 9.2 and Appendix 7

October 4, 2007

Delta Bow Valley, 08:00-11:00

Reliable **Power**

Reliable **Markets**

Reliable **People**



Agenda 8:00-11:00



- Introductions
- Short Overview
- Timeline
- Major Issues
- Next Steps
- Questions and Comments

Overview



- 2007 Regulation was released in April 2007 and included changes for losses
- Due to the complexity of the loss factor rule, the mathematical nature of the methodology, and the long lead times required for calculation, the AESO hosted four informal meetings following the release of the Regulation to:
 - Discuss possible changes with stakeholders,
 - Test scenarios and invite feedback, and
 - Prepare for the lead time to make changes
- All changes to the loss factor rule were classified as Level 1 changes. The formal stakeholder consultation is underway

Overview (2)



- The AESO may include non-Regulation driven rule changes if required – Regulation related changes take priority
- This meeting is offered to respond to questions, invite discussion, and seek input. All input will be posted on the AESO web site

Timeline – 2007, 2008



- April to September 2007 – AESO hosts four meetings to discuss upcoming changes regarding the 2007 Regulation
- September 18 – AESO ERC approval to consult on proposed loss factor rule changes
- October 1 to October 12 – Stakeholder consultation. October 4 stakeholder meeting
- October 17 – Post stakeholder comments
- October 19 – finalize proposed loss factor rule changes
- November 08 – AESO ERC approval sought
- November 20 – Target loss factor rule effective date
- January to March 2008 – software modified, integrated, production tested

Major 2007 Transmission Regulation Issues



- Treatment of loss factor methodology for generation extended to DOS, Imports
- Inter-tie losses for export and import will be based on average losses
- Materiality of change – threshold
- Envelope of loss factors increased to +/- 12%
- Imports and export flows to be used in base cases
- Changes effective January 1 2009

Non-Transmission Regulation Issues for Loss Factors - Summary



Issue	Comment (Consensus Required to Proceed with Issues)
Forecast vs. Historic data in existing generation	<ul style="list-style-type: none">• Use historic data to determine generation levels in GSO
Load or generation scaling for base case preparation	<ul style="list-style-type: none">• AESO prefers load scaling
Un-dispatched generation in GSO—treatment	<ul style="list-style-type: none">• Treatment and resolution of the generation
Grouping generation (including price takers) in GSO	<ul style="list-style-type: none">• Add new generators into their respective area in GSO
Clearer criteria for inter-tie and generation additions	<ul style="list-style-type: none">• Rule and Appendix will be updated regardless for reasons of clarity
More than one year of historic data for GSO	<ul style="list-style-type: none">• Not consistent in reflecting history – >1 year of information dilutes data

Next Steps



- Input from stakeholders by October 12
- AESO will post the comments and finalize loss factor rule changes
- Approval of loss factor rule targeted for November 20
- Loss factor software will be modified accordingly, integrated, and production tested
- 2009 loss factor cycle will begin in April 2008