

Effective August 31, 2018	Proposed Effective December 1, 2021	Rationale
<p>Applicability</p> <p>1 Section 501.3 applies to:</p> <p>(a) the ISO.</p>	<p>Applicability</p> <p>1 Section 501.3 applies to:</p> <p>(a) the ISO.</p>	<p>No changes</p>
	<p>Legislative Authority</p> <p>2 Pursuant to subsection 11.2 of the <i>Transmission Regulation</i>, this Section 501.3 and any associated business practices the ISO establishes related to a transmission facility project outlined in subsection 3 are the sole requirements in respect of an abbreviated needs approval process.</p>	<ul style="list-style-type: none"> To establish the AESO’s legislative authority to develop an abbreviated needs approval process and related business practices.
<p>Eligibility Assessment</p> <p>2 The ISO must use the following eligibility criteria to determine whether the need for a transmission facility project can be approved by the ISO under the abbreviated needs approval process provided for under Section 4 of the <i>Transmission Deficiency Regulation</i>:</p> <p>(a) for a transmission facility project that responds to a request for system access service:</p> <p>(i) if the request for system access service is to connect generation, the total increase of maximum capability as a result of the request is less than 45 MW;</p> <p>(ii) if the request for system access service is to connect load, the load has contracted for an increase of less than 45 MW of Rate DTS in accordance with the ISO tariff;</p> <p>(iii) the transmission facility project can be provided through substation additions, enhancements, rebuilds and reconfigurations, all within an existing substation fenced area, and through line reconfigurations within 300 metres of the substation;</p>	<p>Eligibility Assessment</p> <p>3 The ISO may approve a transmission facility project under the abbreviated needs approval process set out in subsection 4 if:</p> <p>(a) the ISO has identified a need consistent with the criteria set out in section 34(1) of the <i>Electric Utilities Act</i>,</p> <p>(b) the ISO has determined that the transmission facility project is an appropriate option to meet the need; and</p> <p>(c) the ISO reasonably expects the costs of the transmission facility project to be less than \$25,000,000, of which system costs are not expected to exceed \$15,000,000.</p>	<ul style="list-style-type: none"> Reduced red tape Increase the applicability of ANAP to a larger number of system and connection projects, resulting in increased regulatory efficiency and a reduced number of NID filings <ul style="list-style-type: none"> More efficient use of AESO and AUC resources, potential reduction in costs for MPs and ratepayers Enable faster progress via the AESO connection process as Stage 4 timelines can be reduced (AUC has approved TFO Facility Applications with ANAP approval in 3 weeks vs. 12-32 weeks for an average ANID and FA combined filing) Allows the AESO to expediently approve the need for newer technologies to optimize the transmission system Enable regulatory efficiencies for small system developments as no NID is filed Examples of Connection Projects with total cost <\$25M <ul style="list-style-type: none"> Substation modification, transformer additions, 138 kV and 240 kV T-taps < 300 m (<\$5M)

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<p>(iv) the costs of the transmission facility project that are classified as system-related in accordance with the ISO tariff are estimated to be less than \$5,000,000 in the service proposal; and</p> <p>(v) the studies used by the ISO to assess the transmission facility project have been conducted in accordance with reliability standards; or</p> <p>(b) for a transmission facility project that does not respond to a request for system access service, the costs classified as system-related in accordance with the ISO tariff are estimated to be less than \$5,000,000 in the service proposal.</p>		<ul style="list-style-type: none"> ○ Transformer additions (may include modification of adjacent subs), 138 kV and 240 kV T-taps and radials 1-5 km (\$5-\$10M) ○ New 138 kV POD with up to 7 km of line, 138 kV and 240 kV in-out connection w/switching station and up to 12 km of line, 240 kV radial up to 3 km, 138 kV radial 13-25 km (\$10-\$25M) ● The type of minor system work that could be included under the ANAP Rule with the \$15M threshold for system cost includes: <ul style="list-style-type: none"> ○ adding up to 12 km of 138 kV circuit ○ adding up to 6 km of 240 kV circuit ○ substation alterations, including the addition of transformers or reactive devices and associated equipment ○ adding new small substations (with limited facilities) ○ capacitor bank additions ● Since the ANAP rule was implemented in July 2015, the AESO has filed ~90 connection ANIDs and 9 system NIDs. Only 11 connection projects and 2 system projects have been eligible and approved via ANAP since ANAP implemented (July 2015). Expanding ANAP eligibility criteria will allow more projects to be approved by the AESO reducing use of AUC resources and regulatory burden. ● ~90 ANIDs filed by the AESO since July 2015 <ul style="list-style-type: none"> ○ 100% deemed complete upon submission ○ ~80% approved without IRs to the AESO ○ <9% required oral or written proceedings. In all cases the AESO's proposed transmission

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		<p>development was approved by the AUC as filed.</p> <ul style="list-style-type: none"> ▪ Average cost of connection projects that went to proceeding is \$35M (\$6-\$112M). ▪ All but one involved DFO SASRs, which are being addressed as part of the AESO Tx/Dx coordinated planning initiative <ul style="list-style-type: none"> • Examples of system NIDs approved without intervention or proceeding <ul style="list-style-type: none"> ○ 807L Capacity increase (\$4M) ○ Sunnybrook and Livock modifications (\$35M)
<p>Conditions for Approval</p> <p>3(1) The ISO must, prior to approving the need for a transmission facility project under the abbreviated needs approval process:</p> <ul style="list-style-type: none"> (a) comply with the participant involvement program requirements for needs identification documents in Commission Rule 007, <i>Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations and Hydro Developments</i>; and (b) provide at least fourteen (14) days notice, by way of a posting to the AESO website, of the ISO's intention to consider a transmission facility project for approval under the abbreviated needs approval process. <p>(2) The ISO must not approve the need for a transmission facility project under the abbreviated needs approval process if a stakeholder, identified by the ISO in accordance with the participant involvement program requirements for needs identification documents in Commission Rule 007, <i>Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations and Hydro Developments</i>, has concerns or objections with the need for a</p>	<p>Conditions for Approval</p> <p>3 The ISO must, prior to approving the need for a transmission facility project under the abbreviated needs approval process set out in subsection 4:</p> <ul style="list-style-type: none"> (a) comply with the ISO participant involvement program guidelines in Commission Rule 007, <i>Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines</i>; (b) confirm that the transmission facility project is not anticipated to result in significant environmental effects; (c) provide at least 14 days notice, by way of a posting to the AESO website, of the ISO's intention to consider a transmission facility project for approval under the abbreviated needs approval process, including supporting documentation; and 	<ul style="list-style-type: none"> • “not anticipated to result in significant environmental effects” aligns with the eligibility criteria for ANID Checklist applications • The AESO, in accordance with its legislative mandate and duties, will consider and respond to concerns or objections with the need for a transmission facility. Pursuant to section 11.2(4) of the <i>Transmission Regulation</i>, disputes respecting decisions made by the AESO resulting from the abbreviated needs approval process may be submitted to the Commission for determination. • The <i>Transmission Regulation</i> gives the AESO the authority to establish requirements that must be satisfied for the approval of a project under the ANAP rule.

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<p>transmission facility that, as determined by the ISO, have not been resolved.</p> <p>(3) The ISO must, when considering whether to approve the need for a transmission facility project under the abbreviated needs approval process, in accordance with the requirements for needs identification documents in Commission Rule 007, Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations and Hydro Development:</p> <ul style="list-style-type: none"> (a) assess the current transmission system capability and the record of the last five-year recorded summer and winter peak substation loads applicable to the development area; (b) perform a comparison of the options considered to connect or serve the transmission facility project, including, as applicable, connection configurations, capital costs, system impacts, environmental and land-use effects, and other considerations; and (c) obtain an implementation schedule for the ISO's preferred option to connect or serve the transmission facility project. 	<ul style="list-style-type: none"> (d) confirm that any stakeholder concerns or objections with the need for a transmission facility have been addressed 	
<p>Approval</p> <p>4(1) The ISO may, subject to subsection 3, approve the need for a transmission facility project that meets the eligibility criteria described in subsection 2 under the abbreviated needs approval process.</p> <p>(2) The ISO must, where it approves the need for a transmission facility project that responds to a request for system access service under the abbreviated needs approval process:</p> <ul style="list-style-type: none"> (a) provide an approval letter to the market participant that has requested system access service, certifying that the ISO has approved the transmission facility project; and 	<p>Abbreviated Needs Approval Process</p> <p>4 The ISO must, where it approves the need for a transmission facility project under this abbreviated needs approval process:</p> <ul style="list-style-type: none"> (a) provide an approval letter certifying that the ISO has approved the need for the transmission facility project to the Commission and to the applicable legal owner of a transmission facility; and (b) post a notice of the approval on the AESO website. 	<p>Reduce red tape.</p> <p>Approval letter will be sent to the Commission and the applicable TFO whether the project responds to a SASR or not.</p>

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<p>(b) provide the legal owner of a transmission facility who is eligible to apply for construction or operation of a transmission facility in the applicable geographic area, as determined under section 24(1) of the <i>Transmission Regulation</i>, with a copy of the approval letter described in subsection 5(2)(a).</p> <p>(3) The ISO must, where it approves the need for a transmission facility project that does not respond to a request for system access service under the abbreviated needs approval process, provide the legal owner of a transmission facility who is eligible to apply for the construction or operation of a transmission facility in the applicable geographic area, as determined under section 24(1) of the <i>Transmission Regulation</i>, with an approval letter, certifying that the ISO has approved the transmission facility project.</p>		