

Q1 2017 Update on Implementation Plan to Develop a Revised Loss Factor Rule in Compliance With Decision 790-D03-2015

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Milner Power Inc. and ATCO Power Ltd. Complaints Regarding ISO Transmission Loss
Factor Rule and Loss Factor Methodology
Proceeding 790 Phase 2 Module B

Classification: Public

Q1 2017 Update

- 1 In its *Implementation Plan to Develop a Revised Loss Factor Rule in Compliance With Decision 790-D03-2015*¹ (“Implementation Plan”), the AESO stated that it would file quarterly updates with the Alberta Utilities Commission (“Commission”) to report progress on the implementation activities described in the Implementation Plan.² The AESO filed its Q1 2016 Update,³ Q2 2016 Update,⁴ Q3 2016 Update,⁵ and Q4 2016 Update⁶ on March 31, 2016; July 15, 2016; October 21, 2016; and January 25, 2017, respectively.
- 2 This submission is the *Q1 2017 Update* (“Q1 2017 Update”) on the Implementation Plan. This Q1 2017 Update primarily provides information on the activities described in the Implementation Plan that have occurred since the Q4 2016 Update was submitted.
- 3 On August 31, 2016, the AESO filed its Compliance Filing,⁷ which included the revised Section 501.10 of the ISO rules, *Transmission Loss Factors* (the “Compliance Filing Rule”). The AESO subsequently filed certain revisions to the Compliance Filing Rule⁸ (“Revised Compliance Filing Rule”). The Commission confirmed the Revised Compliance Filing Rule in Decision 790-D05-2016,⁹ issued on November 30, 2016.
- 4 During Q1 of 2017, the AESO has focused on completing the implementation activities described in the Q4 2016 Update, as follows:
- (a) updating the 8,760 hours of energy market merit order volumes to reflect the provisions of the Revised Compliance Filing Rule, including subsection 5 addressing the location at which loss factors are determined and subsection 6(1) addressing merit order data for source assets;
 - (b) validating consistency between generator input data, load input data, measurement points, and system topologies, including throughout the calculation procedures;
 - (c) validating the PSS/E busses at which generation and load are located in system topologies;
 - (d) testing and implementing net-to-grid procedures in accordance with subsection 8 of the Revised Compliance Filing Rule;
 - (e) testing and implementing procedures to maintain power factors consistent with historical load input data; and

¹ Exhibit 790-X0452.

² *Ibid*, at paragraph 44.

³ Exhibit 790-X0469, *Q1 2016 Update on Implementation Plan to Develop a Revised Loss Factor Rule in Compliance With Decision 790-D03-2015*, March 31, 2016.

⁴ Exhibit 790-X0474, *Q2 2016 Update on Implementation Plan to Develop a Revised Loss Factor Rule in Compliance With Decision 790-D03-2015*, July 15, 2016.

⁵ Exhibit 790-X0522, *Q3 2016 Update on Implementation Plan to Develop a Revised Loss Factor Rule in Compliance With Decision 790-D03-2015*, October 21, 2016.

⁶ Exhibit 790-X0540, *Q1 2017 Update on Implementation Plan to Develop a Revised Loss Factor Rule in Compliance With Decision 790-D03-2015*, January 25, 2017.

⁷ Exhibit 790-X0476.

⁸ Exhibit 790-X0511, *Appendix B to AESO Reply to Submissions Regarding the Compliance Filing*, October 14, 2016.

⁹ Decision 7990-D05-2016, *Milner Power Inc. and ATCO Power Ltd. Complaint Regarding the ISO Transmission Loss Factor Rule and Loss Factor Methodology, Phase 2 Module B, Compliance Filing*, November 30, 2016.

(f) updating software and scripts to reflect the provisions of the Revised Compliance Filing Rule.

5 The AESO has completed, where necessary, supplementing the input data required for the calculation of raw loss factors. The AESO is finalizing the loss factor calculation software and scripts, including an interface for file management. The AESO is also finalizing the workbook showing the calculations from hourly raw loss factors to final loss factors in accordance with subsection 3(2)(f) of the Revised Compliance Filing Rule.

6 The AESO continues to work diligently toward publishing 2017 loss factors as soon as possible. While the Q4 2016 Update indicated that loss factors were expected to be published in March 2017, the AESO now anticipates that it will require an additional month to complete its implementation activities. Accordingly, the AESO anticipates completing the above activities and publishing 2017 loss factors in April 2017.