

Delivered by Email
JCassano@epcor.com

EPCOR Distribution & Transmission Inc.
North Service Centre
12116 - 107 Street
Edmonton, Alberta T5G 2S7

Attention: John Cassano - Director, Transmission

Dear Mr. Cassano,

Re: Approval by the Independent System Operator, operating as the Alberta Electric System Operator (the “AESO”) under Section 501.3 of the ISO Rules, *Abbreviated Needs Approval Process*, (the “ANAP Rule”) for the Castle Downs Substation Modification – Project No. 2543 (the “Project”)

1. On March 2, 2022, EPCOR Distribution & Transmission Inc. (“Market Participant”), submitted a system access service request (“SASR”) to the AESO to reliably serve the growing demand for electricity in the Edmonton area (AESO Planning Area 60, Edmonton).
2. For the reasons set out below, the AESO has approved the transmission facility project required to respond to the SASR under the AESO’s abbreviated needs approval process (“ANAP”).
3. The transmission facility project includes:
 - (a) Modify the existing Castle Downs substation, including adding fourteen 15 kilovolt (kV) circuit breakers; and
 - (b) modify, alter, add or remove equipment, including switchgear, and any operational protections, control and telecommunication devices required to undertake the work as planned and ensure proper integration with the transmission system.
4. Supporting materials are available on the AESO website at <https://www.aeso.ca/grid/transmission-projects/castle-downs-substation-modification-2543/> and include:
 - (a) Engineering Connection Assessment titled, “*P2543 Castle Downs Substation Modification*” dated September 12, 2023, Version Final;
 - (b) Capital Cost Estimate, prepared by the TFO;
 - (c) a summary of the AESO’s participant involvement program; and
 - (d) Distribution Deficiency Report titled, “*Distribution Deficiency Report (DDR) for Castle Downs*” dated May 13, 2022, Revision 1.

5. In accordance with subsection 3 of the ANAP Rule, the AESO has determined that the transmission facility project is eligible for approval under the ANAP by confirming:
 - (a) the AESO has identified a need consistent with the criteria set out in subsection 34(1) of the *Electric Utilities Act*;
 - (b) the AESO has determined that the transmission facility project is an appropriate option to meet the need; and
 - (c) the AESO 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.

6. In accordance with subsection 4 of the ANAP Rule, the AESO confirms that the transmission facility project meets the conditions for approval as follows:
 - (a) the AESO's participant involvement program complies with the ISO participant involvement program guidelines in Alberta Utilities Commission Rule 007, *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines*;
 - (b) the transmission facility project is not anticipated to result in significant environmental effects;
 - (c) the AESO provided at least 14 days notice, by way of a posting to the AESO website, of the AESO's intention to consider a transmission facility project for approval under the abbreviated needs approval process, including supporting documentation; and
 - (d) any stakeholder concerns or objections with the need for a transmission facility have been addressed.

7. The AESO has further determined that:
 - (a) the Market Participant has made all appropriate applications to the AESO to obtain the system access service requested in the SASR;
 - (b) the transmission facility project will provide the Market Participant with a reasonable opportunity to exchange electricity and ancillary services;
 - (c) the transmission facility project will properly respond to the Market Participant's SASR; and
 - (d) approval is in accordance with the AESO's responsibility to respond to requests for system access service, having determined that the transmission facility project is required and is in the public interest.

8. Pursuant to the ANAP Rule, the AESO approves the transmission facility project.

Should you have any questions regarding this approval letter, please contact the AESO Project Manager Tana Lailan at 403-539-2857.

Sincerely,

Robert Davidson

Rob Davidson, P.Eng.
Vice President, Grid Reliability – Projects and Planning

Cc: Wayne MacKenzie, Executive Director, Facilities Division, Alberta Utilities Commission
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Sarah Hanson, Manager, Distribution System Planning, EPCOR Distribution & Transmission Inc
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