

2020 Annual Report on Costs Incurred as a Result of Mitigating Transmission Constraints

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Prepared by: Alberta Electric System Operator

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1 Background

The following report has been prepared pursuant to subsection 4(2) of Section 302.1 of the ISO rules, *Real Time Transmission Constraint Management* (Section 302.1), which requires the Alberta Electric System Operator (AESO) to: “monitor and publicly report on the costs incurred as a result of mitigating transmission constraints on an annual basis.”

AESO System Controllers mitigate transmission constraints in accordance with the sequence set out in subsection 2(1) of Section 302.1. This report sets out the costs that were directly incurred in 2019 “as a result of mitigating transmission constraints on an annual basis”, including transmission must-run (TMR) costs and the costs of transmission constraint rebalancing (TCR).

2 Costs of mitigating transmission constraints

2.1 Constrained Down Generation

For information on annual constrained down generation volume and cost estimates for the years 2011-2015, please refer to Table 1 in the [2016 AESO Annual TCM Report](#).

Table 1: Annual TCR Costs

Year	Number of Days with TCR Payments	Actual TCR Cost (\$)
2016	5	\$7,499
2017	10	\$15,019
2018	7	\$35,126
2019	14	\$269,801

2.2 Transmission Must Run

For information on annual TMR costs for years 2011-2015, please refer to Table 2 in the [2016 AESO Annual TCM Report](#).

Table 2: Annual TMR Costs¹

Year	Contracted TMR Costs (\$)²	Conscripted TMR (\$)	Total TMR Costs (\$)
2016	\$303,208	\$1,209,827	\$1,513,035
2017	\$359,643	\$501,617	\$861,260
2018	\$6,102	\$428,906	\$435,008
2019	\$36,626	\$362,984	\$399,609

2.3 Total Cost of using the TCM Rule

For information on annual cost of using the TCM rule for years 2011-2015, please refer to Table 3 in the [2016 AESO Annual TCM Report](#).

Table 3: Total Annual TCM Costs

Year	Total Cost (\$)
2016	\$1,520,534
2017	\$876,279
2018	\$470,134
2019	\$669,410

¹ The cost of TMR for the years 2017 and 2018 has been adjusted since the June 2019 TCM report. Conscripted TMR costs for 2017 increased by \$1,243 from \$500,374 to \$501,617. Conscripted TMR costs for 2018 increased by \$153 from \$428,753 to \$428,906.

² Dispatch costs for the Poplar Hill contract are included under contracted TMR costs. The Poplar Hill contract is classified separately from other TMR contracts; however, the Poplar Hill generator is dispatched under the contract to provide MW to mitigate transmission constraints. Dispatch costs for Location Based Credit Standing Offer (LBC SO) contracts are also included under contracted TMR costs, as they represent the costs of dispatching generation to provide MW to mitigate transmission constraints.