

To: AESO Stakeholders

Date: Thursday, August 12, 2021

Subject: **Additional Information on Impacts to Rates, Calculation of XOS/XOM Rates, and Release of DTS, FTS, Peak Load and Peak Generation Data**

The AESO values stakeholder feedback and we thank those who shared their perspectives with us on the updated rate estimates on July 16, 2021. An update to the Estimating Rate Calculations tool (v0.3) to address an identified issue was released on July 15, 2021.

In response to feedback received, the AESO is releasing additional information on the following:

Impacts to Rates

Changes to the Bulk and Regional (B&R) Rate design will impact the following rates: DTS, FTS, DOS, XOS, and XOM. In all cases, the forthcoming B&R application will include placeholders in the charge column of the rate sheets, while approval of any actual charges will be included in a compliance filing or rates update application once the AESO has received the Alberta Utilities Commission (AUC) decision on the Preferred Rate Design using applicable revenue requirement and forecast bill determinants.

Calculation of XOS/XOM Rates

In response to multiple requests for details on how the XOS/XOM rate is calculated, summary information is provided below in a format similar to that provided for the [DOS rate at Session 5](#) on March 25, 2021 (slide 73). Please refer to the AESO's 2010 ISO tariff application, the approval in Decision 2010-606 or the 2021 Rate Calculations workbook (Tab B – 11 Other Rates) for the current 2021 ISO Tariff Update at www.aeso.ca > Rules, Standards and Tariff > Current applications > 2021 ISO Tariff Update > Appendix B – 2021 Rate Calculations, or directly [here](#) for further information regarding the XOS rate.

Rate Type	Cost Allocation	Opportunity Service Obligations
XOS & XOM	Costs converted to \$/MWh amounts Variable components of the bulk and regional system (i.e., energy charge) + 20% of the non-energy bulk and regional system charges + 32% of operating reserve charges	Recalled before Rates DTS, FTS and DOS (any type)

Similar to the Demand Opportunity Service (DOS) rate, the AESO is neither reviewing nor conducting additional consultation on the XOS/XOM rate methodology as part of the B&R rate design consultation.

Instead, any changes to the rate components that make up the XOS/XOM rate will flow through in the previous approved methodology.

Data Release

The AESO is releasing the following information:

- 2016-2020 Hourly Regional Rate DTS and FTS data; and
- 2015-2020 Peak Load, Peak Generation and highest load during the 12 hours of system CP by Area data.

The AESO considers that this data may be relevant to the matters at issue in the B&R rate design application. The release of this additional data is consistent with the AESO's Transparent and Timely Stakeholder Engagement Principle to assist stakeholders in understanding and evaluating the AESO's Preferred Bulk and Regional Tariff Rate Design.

Please direct any further questions to tariffdesign@aeso.ca.