

APPENDIX J TARIFF DEFINITIONS

As discussed in section 6.3 of the tariff application, the AESO is requesting approval of the following definitions for terms used in its proposed tariff. These definitions will not reside in the tariff itself, however, but will be located in the *Consolidated Authoritative Documents Glossary* as indicated in subsection 3(g) of section 1 of the proposed terms and conditions.

“**Act**” means the Electric Utilities Act.

“**affiliate**” as defined in the *Business Corporations Act* means an affiliated body corporate. For the purposes of the *Business Corporations Act*,

- (a) one body corporate is affiliated with another body corporate if one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same **person**, and
- (b) if 2 bodies corporate are affiliated with the same body corporate at the same time, they are deemed to be affiliated with each other.

“**ancillary services**” as defined in the **Act** means those services required to ensure that the **interconnected electric system** is operated in a manner that provides a satisfactory level of service with acceptable levels of voltage and frequency.

“**balancing authority area**” means the collection of generation, transmission and loads within the metered boundaries of the balancing authority and for which the balancing authority maintains load-resource balance.

“**billing capacity**” means, at a **point of delivery**, the highest of:

- (i) the highest 15-minute **metered demand** in the **settlement period**;
- (ii) 90% of the highest **metered demand** in the 24-month period including and ending with the **settlement period**, but excluding any months during which **commissioning** occurs; or
- (iii) 90% of the **contract capacity** or, when the **settlement period** contains a transaction under Rate DOS, 100% of the **contract capacity**.

“**business day**” means a day other than:

- (i) a holiday during which banks in Alberta are generally closed;
- (ii) Saturday; or
- (iii) Sunday.

“**commercial operation**” means the date upon which a load or **generating unit** begins to operate on the **transmission system** in a manner which is acceptable to the **ISO** and which is expected to be normal for it to so operate, after energization and **commissioning**.

“**Commission**” as defined in the **Act** means the Alberta Utilities Commission established by the *Alberta Utilities Commission Act*.

"commissioning" means the process of carrying out, after energization but before **commercial operation**, activities designed to test electrical equipment or an electrical facility to confirm that it can satisfactorily enter **commercial operation** and, where applicable, meets the **ISO's** requirements and other relevant standards.

"construction contribution" means the financial contribution in aid of construction, in excess of any available maximum local investment, that a **market participant** must pay for the construction and associated costs of **transmission facilities** required to provide **system access service**.

"contract capacity" means the peak demand or supply capability, expressed in MW, as set out in an agreement for **system access service** and amended from time to time.

"directive" means a direction the **ISO** gives to a **market participant** in relation to the operation of the **interconnected electric system** which the **market participant** must comply with unless the **market participant** determines that to do so would conflict with its duty to protect facilities, personnel, the public or the environment.

"electric distribution system" as defined in the **Act** means the plant, works, equipment, systems and services necessary to distribute electricity in a service area, but does not include a **generating unit** or a **transmission facility**.

"emergency" means, as declared by the **ISO**, either:

- (i) any abnormal system condition which requires immediate manual or automatic action to prevent abnormal system frequency deviation, abnormal voltage levels, equipment damage, or tripping of system elements which might result in cascading effects; or
- (ii) a state in which the **interconnected electric system** lacks sufficient **ancillary services**.

"force majeure" as used in the **ISO tariff** means acts of God; strikes, lockouts or other industrial disturbances; vandalism; wars; riots; epidemics; landslides; lightning; earthquakes; explosions; fires; storms; intervention of federal, provincial or local government, or from any of their agencies or boards; the order or direction of any court; inability to obtain, interruption, suspension, curtailment or other diminution of, supply of materials, utilities or services from any supplier, including the **ISO** or any **market participant**; and any other causes, whether of the kind enumerated here or otherwise, not within the control of the **ISO** and which by the exercise of due diligence the **ISO** is unable to prevent or overcome but does not include a decision, direction or order made by the **Commission**.

"generating unit" as defined in the **Act** means the component of a power plant that produces, from any source, electric energy and **ancillary services**, and includes a share of the following associated facilities that are necessary for the safe, reliable and economic operation of the **generating unit**, which may be used in common with other **generating units**:

- (i) fuel and fuel handling equipment;
- (ii) cooling water facilities;
- (iii) switch yards; and
- (iv) other items.

"**good electric industry practice**" means the standard of practice attained by exercising that degree of knowledge, skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person engaged in the same type of undertaking in the same or similar circumstances, including determining what is reasonable in the circumstances having regard to economic considerations.

"**interchange transaction**" means an energy or **ancillary services** transaction that crosses one or more **balancing authority area** boundaries.

"**interconnected electric system**" as defined in the **Act** means all **transmission facilities** and all **electric distribution systems** in Alberta that are interconnected, but does not include an **electric distribution system** or a **transmission facility** within the service area of the City of Medicine Hat or a subsidiary of the City, unless the City passes a bylaw that is approved by the Lieutenant Governor in Council under section 138 of the **Act**.

"**intertie**" as defined in the *Transmission Regulation* means a **transmission facility**, including its associated components, that links one or more electric systems outside Alberta to one or more points on the **interconnected electric system**.

"**ISO**" means the Independent System Operator as defined in the **Act** being the corporation established by section 7 of the **Act**.

"**ISO rules**" as defined in the **Act** means the rules made by the Independent System Operator under section 19 and 20 of the **Act**.

"**ISO tariff**" as defined in the **Act** means the tariff prepared by the **ISO** under section 30 of the **Act** that has been approved by the **Commission**.

"**loss factor**" means a number, expressed as a percentage, determined by the **ISO**:

- (i) for each **generating unit** connected to the **interconnected electric system**, which when multiplied by the MW output of the **generating unit** reasonably represents the **generating unit's** impact on average **transmission system** losses;
- (ii) for each demand opportunity service connected to the **interconnected electric system**, which when multiplied by the MW demand reasonably represents the service's impact on **transmission system** losses;
- (iii) for each opportunity import and export transaction scheduled on the **interconnected electric system**, which when multiplied by the MW demand of the transaction reasonably represents the impact on **transmission system** losses; and
- (iv) for firm import transactions, which service is not currently available, scheduled on the **interconnected electric system**, which when multiplied by the MW demand of the transaction reasonably represents the import transaction's impact on average **transmission system** losses.

"**market participant**" as defined in the **Act** means:

- (i) any **person** that supplies, generates, transmits, distributes, trades, exchanges, purchases or sells electricity, electric energy, electricity services or **ancillary services**, or
- (ii) any broker, brokerage or forward exchange that trades or facilitates the trading of electricity, electric energy, electricity services or **ancillary services**.

"**Market Surveillance Administrator**" as defined in the **Act** means the corporation continued by section 32 of the *Alberta Utilities Commission Act*

"**material adverse change**" means a downgrade in the credit rating of a **market participant** by any credit rating agency, or an event that may result in the materially weaker creditworthiness of a **market participant** as reasonably determined by the **ISO**.

"**maximum capability**" as used in the **ISO tariff** means for a **generating unit**, the maximum quantity, in MW, that the **generating unit** is physically capable of providing under optimal operating conditions while complying with all applicable **ISO rules** and the **ISO tariff**.

"**metered demand**" means the rate at which electric energy is delivered to a **point of delivery** or from a **point of supply**, in MW, measured by the relevant **metering equipment** and averaged over a 15-minute or other interval as deemed necessary by the **ISO**.

"**metered energy**" means the quantity of electric energy transferred to a **point of delivery** or from a **point of supply**, in MWh, measured by the relevant **metering equipment** during a particular period of time.

"**metering equipment**" as defined in the *AESO Measurement System Standard* means all measurement transformers, meters, recorders, remote communication equipment and associated wiring required for the measurement and, if applicable, remote storage of the active energy and reactive energy interval data for a single metering point.

"**needs identification document**" means the document referred to in section (34)(1) of the **Act**.

"**outage**" means any full or partial unavailability of equipment.

"**owner**" as defined in the **Act** means in respect of a **generating unit**, a **transmission facility** or an **electric distribution system**, means the **owner**, operator, manager or lessee of that unit, facility or system, or any person who is acting as an agent for the **owner**, operator, manager or lessee, and in the event that one of those **persons** becomes bankrupt or insolvent, includes any trustee, liquidator or receiver appointed in respect of the bankruptcy or insolvency.

"**person**" as defined in the **Act** includes an individual, unincorporated entity, partnership, association, corporation, trustee, executor, administrator or legal representative;

"**physical capacity**" means the maximum amount of electric power that a **transmission facility** is rated by its **owner** to be able to transmit without suffering damage.

"**point of delivery**" means the point at which electricity is transferred from **transmission facilities** to facilities owned by a **market participant** receiving **system access service** under the **ISO tariff**, including an **electric distribution system**.

"**point of interconnection**" means the point at which electricity is transferred between the **interconnected electric system** and a neighbouring jurisdiction and where the electricity so transferred is measured.

"**point of supply**" means the point at which electricity is transferred to **transmission facilities** from facilities owned by a **market participant** receiving **system access service** under the **ISO tariff**, including a **generating unit** or an **electric distribution system**.

"**pool price**" as defined in the **Act** means the price for each hour established and reported by the **ISO**, in accordance with the **ISO rules**, for electric energy exchanged through the **power pool**.

"**power factor**" means the ratio of real power to apparent power.

"**power pool**" as defined in the **Act** means the scheme operated by the Independent System Operator for:

- (i) exchange of electric energy; and
- (ii) financial settlement for the exchange of electric energy.

"**power purchase arrangement**" as defined in the **Act** means a power purchase arrangement included in Alberta Regulation AR 175/2000, being the *Power Purchase Arrangements Determination Regulation*, but does not include:

- (i) the power purchase arrangement that applies to the H.R. Milner **generating unit**;
- (ii) the power purchase arrangement that applies to the Sturgeon **generating units**;
- (iii) a power purchase arrangement that expires in accordance with the unit effective term completion date specified in the power purchase arrangement;
- (iv) a power purchase arrangement that is terminated under section 15.2 of the power purchase arrangement;
- (v) a power purchase arrangement that is terminated by the balancing pool.

"**rated capacity**" means the maximum amount of electric power that a **transmission facility** is rated by the manufacturer to be able to transmit.

"**remedial action scheme**" means a protection scheme designed to perform pre-planned corrective measures following a disturbance to provide for acceptable **interconnected electric system** performance or equipment protection.

"**settlement period**" means the period starting on the first day of each calendar month at 00:00 hours and ending on the last day of the same calendar month at 24:00 hours.



"**substation fraction**" means the share of a substation's capacity attributable to a **market participant** under Rate DTS or Rate STS, calculated by dividing the **contract capacity** of the individual **system access service** by the sum of all **contract capacities** of all **system access services** provided at the same substation under Rate DTS and Rate STS.

"**system access service**" as defined in the **Act** means the service obtained by **market participants** through a connection to the **transmission system**, and includes access to exchange electric energy and **ancillary services**.

"**transmission facility**" as defined in the **Act** means an arrangement of conductors and transformation equipment that transmits electricity from the high voltage terminal of the generation transformer to the low voltage terminal of the step down transformer operating phase to phase at a nominal high voltage level of more than 25 000 volts to a nominal low voltage level of 25000 volts or less, and includes:

- (i) transmission lines energized in excess of 25000 volts;
- (ii) insulating and supporting structures;
- (iii) substations, transformers and switchgear;
- (iv) operational, telecommunication and control devices;
- (v) all property of any kind used for the purpose of, or in connection with, the operation of the transmission facility, including all equipment in a substation used to transmit electric energy from (A) the low voltage terminal, to (B) **electric distribution system** lines that exit the substation and are energized at 25 000 volts or less, and
- (vi) connections with electric systems in jurisdictions bordering Alberta but does not include a **generating unit** or an **electric distribution system**.

"**transmission system**" as defined in the **Act** means all **transmission facilities** in Alberta that are part of the **interconnected electric system**.