

2019 Energy Market Trading Charge

The AESO has set the 2019 energy market trading charge at 46.0 cents per megawatt hour traded, including charges from the Alberta Utilities Commission (AUC) and the Market Surveillance Administrator (MSA). The overall energy market trading charge in 2019 has increased by 19.5 cents from the 2018 charge of 26.5 cents per megawatt hour traded.

| AESO Energy Market Trading Charge | 2019 Budget | 2018 Budget |
|---|-------------|---------------|
| AESO Component | | |
| General and administrative costs, interest, amortization and other industry costs | 34.7¢ | 23.7¢ |
| Energy market deferral deficit (surplus) | <u>3.0¢</u> | <u>(5.5)¢</u> |
| Total | 37.7¢ | 18.2¢ |
| AUC Component | 4.8¢ | 5.1¢ |
| MSA Component | 3.4¢ | 3.2¢ |
| AESO Energy Market Trading Charge | 46.0¢ | 26.5¢ |

AESO Component

The AESO's component of the 2019 energy market trading charge has been set at 37.7 cents per megawatt hour traded compared to 18.2 cents in 2018. The increase is attributed to:

- adjustments to the cost recovery allocations for AESO energy market operating costs to reflect additional expenditures incurred for the design and implementation of the capacity market; and
- a cumulative deferral *deficit* balance due to an amendment to the AESO's 2018 budget for additional expenses with recovery to occur in future periods.

AUC Component

Under the provision of the *Alberta Utilities Commission Act*, AUC operating and capital costs are recovered from natural gas and electricity market participants under its jurisdiction or any person to whom the AUC provides services. Accordingly, the AUC apportions all of its costs related to its wholesale electric market activities to the AESO as an AUC administration fee.

The AUC's component of the 2019 energy market trading charge has been set at 4.8 cents per megawatt hour traded.

MSA Component

In accordance with the *Electric Utilities Act*, the energy market trading charge will also recover the costs required by the MSA. The MSA's budgeting process is a separate activity, and their budget is approved by the Chair of the Alberta Utilities Commission. The AESO receives the cost recovery requirement determined by the MSA and must include that amount net of any surplus or deficit collection from 2018 and prior years in the energy market trading charge.

For 2019, the MSA's costs represent 3.4 cents per megawatt hour traded which is the current year cost recovery.

If you have questions or would like to discuss this topic further, please call AESOfirstcall at 1-888-588-AESO (2376) during business hours from Monday to Friday between 8:00 am and 5:00 pm (Mountain Standard Time) or email info@aeso.ca.