



Alberta Electric System Operator

2020 Balancing Pool Consumer Allocation Rider F Application

November 25, 2019

Alberta Utilities Commission

Decision 24982-D01-2019

Alberta Electric System Operator

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Proceeding 24982

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1 Decision summary

1. This decision provides the Alberta Utilities Commission's determinations regarding the application by the Alberta Electric System Operator (AESO) for its 2020 Balancing Pool consumer allocation Rider F.

2. For the reasons set forth in this decision, the Commission approves the AESO's requested \$2.50 per megawatt hour (MWh) Rider F charge to all demand transmission service and demand opportunity service market participants, with the exception of the City of Medicine Hat and BC Hydro at Fort Nelson, for metered energy from January 1, 2020, through December 31, 2020.

2 Introduction

3. On October 16, 2019, the AESO filed an application requesting approval for its 2020 Balancing Pool consumer allocation Rider F.

4. The Alberta Utilities Commission issued notice of the application on October 16, 2019, requesting that any statements of intent to participate (SIP) be filed by October 25, 2019. Interested parties were to include in their SIP a description of their interest in the proceeding and information in support of their position. No SIPs were received. As a result, the Commission proceeded with the application by way of a *notice-only* process in accordance with Bulletin 2015-09.¹ The Commission considers the close of record for this proceeding to be October 25, 2019, the date SIPs were due.

3 Background

5. The Balancing Pool is a corporation established by Section 75 of the *Electric Utilities Act* to carry out the powers and duties set out therein.² Pursuant to Section 82 of the *Electric Utilities Act*, the Balancing Pool must prepare a budget for each fiscal year setting out its estimated revenues and expenses. Based on this forecast, the Balancing Pool determines an annualized amount that will be refunded to (or collected from) electricity market participants over the year.

6. Following receipt of the Balancing Pool's "annualized amount," the AESO is required to include this amount in its tariff.³

¹ Bulletin 2015-09: Performance standards for processing rate-related applications, March 26, 2015.

² The Balancing Pool duties are set out in Section 85 of the *Electric Utilities Act*.

³ Sections 82(5) and (6) of the *Electric Utilities Act*.

7. The AESO collects (refunds) from (to) market participants the Balancing Pool's annualized amount through Rider F. Rider F applies to the following customers:⁴

- 1(1) Rider F of the Independent System Operator (ISO) tariff, Balancing Pool consumer allocation Rider, applies to system access service provided under:
 - (a) Rate DTS (demand transmission service) of the ISO tariff; and
 - (b) Rate DOS (demand opportunity service) of the ISO tariff.
- (2) Notwithstanding subsection 1(1) above, Rider F does not apply to system access service provided to:
 - (a) the City of Medicine Hat; or
 - (b) BC Hydro at Fort Nelson, British Columbia.

4 Rider F for 2020

8. Under Section 82(4) of the *Electric Utilities Act (EUA)*, the Balancing Pool must notify the AESO of an annualized amount that is to be refunded to (collected from) electricity market participants for each fiscal year.

9. On October 2, 2019, the Balancing Pool notified the AESO of a negative annual forecast amount of \$160,182,500 for 2020 and approved a charge of \$2.50/MWh of consumption.⁵ Under subsections 82(5) and 30(2)(b) of the *EUA*, the AESO must include the annualized amount in the ISO tariff.

10. The AESO has applied for approval of a \$2.50/MWh Rider F charge to all DTS and DOS market participants, with the exception of the City of Medicine Hat and BC Hydro at Fort Nelson, for metered energy from January 1, 2020, through December 31, 2020.

11. The AESO stated that all substantive aspects of Rider F, including applicability criteria and use of a \$/MWh amount approach, remain unchanged from the Rider F that is currently in effect for 2019 metered energy.

12. The AESO provided the following table to show the calculation of the consumer allocation:

Table 1. Rider F calculation

[A]	[B]	[C]	[D = B ÷ C]
Period	Annualized amount refund (charge)	Metered energy (MWh)	Annual credit (charge) (\$/MWh)
January – December 2020	(\$160,182,500)	64,073,000	(2.50)

Source: Exhibit 24982-X0002, application, PDF page 3.

⁴ Exhibit 24982-X0004, Appendix B - Proposed Rider F.

⁵ Exhibit 24982-X0003, Appendix A - Balancing Pool Notice.

5 Commission findings

13. Pursuant to Section 82(6)(b) of the *Electric Utilities Act*, the Commission must “approve, with or without modification, the allocation of the annualized amount to the owners of electric distribution systems, industrial systems and persons that have made arrangements under Section 101(2),” being Rate DTS and Rate DOS market participants.

14. In the absence of objections to the allocation proposed or any evidence provided to demonstrate that the AESO’s approach to calculating Rider F is unjust, unreasonable or unduly preferential, arbitrary or discriminatory, the Commission approves the method by which the AESO has determined the Rider F charge.

6 Order

15. It is hereby ordered that:

- (1) The annualized amount of negative \$160,182,500 provided to the Alberta Electric System Operator by the Balancing Pool, without modification, is approved for 2020.
- (2) The applied-for Balancing Pool Consumer Allocation Rider F charge of \$2.50/MWh of metered energy, as included in [Appendix 2](#) of this decision, is approved effective January 1, 2020 to December 31, 2020.

Dated on November 25, 2019.

Alberta Utilities Commission

(original signed by)

Henry van Egteren
Vice-Chair

Appendix 1 – Proceeding participants

Name of organization (abbreviation) Company name of counsel or representative
Alberta Electric System Operator (AESO)

Alberta Utilities Commission
Commission panel H. van Egteren, Vice-Chair
Commission staff S. Albert (Commission counsel) C. Strasser

Appendix 2 – AESO 2020 Rider F

[\(return to text\)](#)



Appendix 2 - AESO
2020 Rider F

(consists of 2 pages)



Applicability

- 1(1)** Rider F applies to **system access service** provided under:
- (a) Rate DTS, *Demand Transmission Service*; and
 - (b) Rate DOS, *Demand Opportunity Service*.
- (2)** Notwithstanding subsection 1(1) above, Rider F does not apply to **system access service** provided to:
- (a) the City of Medicine Hat; or
 - (b) BC Hydro at Fort Nelson, British Columbia.
- (3)** Rider F applies in all **settlement periods** from January 1, 2020 to December 31, 2020.

Rider

- 2(1)** The **ISO** must determine Rider F as a charge of \$2.50/MWh of **metered energy** during the **settlement period**.
- (2)** The **ISO** must determine Rider F to refund or collect an annualized amount estimated by the Balancing Pool and transferred to the **ISO** under section 82 of the **Act**, for the **market participants** receiving **system access service** from the **ISO** under subsection 1 above.

Terms

- 3** The terms and conditions of the **ISO tariff** form part of this rider.

Revision History

Effective	Description
2020-01-01	Updated to reflect \$2.50/MWh charge for 2020 consumption, as applied for in the 2020 Rider F Application.
2019-01-01	Updated to reflect \$2.90/MWh charge for 2019 consumption, as approved in Commission Decision 24037-D01-2018 issued on November 26, 2018.
2018-01-01	Updated to reflect \$3.10/MWh charge for 2018 consumption, as approved in Commission Decision 23163-D01-2017 issued on December 15, 2017.
2017-01-01	Updated to reflect \$1.10/MWh charge for 2017 consumption, as approved in Commission Decision 22248-D01-2016 issued on December 16, 2016.
2016-01-01	Updated to reflect \$3.25/MWh credit for 2016 consumption, as approved in Commission Decision 21031-D01-2015 issued on December 3, 2015.
2015-01-01	Updated to reflect \$5.50/MWh credit for 2015 consumption, as approved in Commission



	Decision 2014-317 issued on November 13, 2014.
2014-01-01	Updated to reflect \$5.50/MWh credit for 2014 consumption, as approved in Commission Decision 2013-425 issued on November 28, 2013.
2013-01-01	Updated to reflect \$5.50/MWh credit for 2013 consumption, as approved in Commission Decision 2012-306 issued on November 14, 2012.
2012-01-01	Updated to reflect \$5.50/MWh credit for 2012 consumption, as approved in Commission Decision 2011-476 issued on December 14, 2011.
2011-07-01	Revised and reformatted all subsections, as approved in Commission Decision 2011-275 issued on June 24, 2011.