

Incumbent Transition Payments and GUOC Refunds – Frequently Asked Questions

Statutory Declaration

Who signs the Statutory Declaration?

The Statutory Declaration must be signed by a corporate officer of the market participant that is or would be the legal owner of the generating unit(s). The Statutory Declaration must be notarized by a Commissioner for Oaths or Notary Public.

GUOC Refunds

How do I request a lump sum GUOC refund?

Submit a statutory declaration to your AESO project manager confirming the decision to cancel or amend your SASR. If you are requesting to amend your SASR to remove a source asset, you must also submit a Project Change Proposal. Project Change Proposals will be reviewed by the AESO to determine if the SASR amendment is eligible for a lump sum GUOC refund.

What are the eligibility criteria for a lump sum GUOC refund?

- GUOC payment received by the AESO before the statutory declaration is submitted
- Statutory Declaration submitted between October 15 and December 1, 2025, indicating a decision to cancel the AESO project or amend the SASR
- No change to the connection alternative if a SASR amendment is requested to remove a source asset
- Applicable source asset(s) are not in service
- All applicable cancellation charges and fees due to the AESO, the TFO and the DFO have been settled

When can I request a lump sum GUOC refund?

GUOC refunds can be requested by submitting a statutory declaration to the AESO project manager between October 15 and December 1, 2025.

When will I get my GUOC Refund?

The lump sum refund of GUOC will be made in 2026 once legislative changes are in place and all applicable cancellation charges and fees due to the AESO, the TFO and the DFO have been settled.

My project was previously cancelled, can I still get my GUOC refunded?

Yes, projects that were cancelled on or after January 1, 2025, and have otherwise met the eligibility criteria can get GUOC refunds in 2026. Projects that cancelled previously must submit a statutory declaration to be eligible for a lump sum GUOC refund.

What happens to my project after I request to cancel?

Once a Market Participant requests to cancel and the AESO verifies they are eligible, the SASR will be cancelled. A SASR cancellation letter will be provided to the market Participant confirming that the statutory declaration was accepted and the SASR will be cancelled. The project will appear as “recently cancelled” on the AESO Connection Project list. We will post a notice of cancellation on our website, and distribute it to notified stakeholders, if applicable. We will also apply to the AUC to cancel the associated NID approval or will rescind the AESO’s ANAP approval and we will direct the TFO to apply to the AUC to cancel the associated transmission facility permits and licenses, if applicable.

Cancellation of the SASR does not require the market participant to apply to the AUC to cancel the associated power plant or energy storage facility approval.

Can I still get my GUOC refunded if transmission facilities have been constructed?

Yes, as long as the generation or energy storage facility is not yet in service, GUOC can be refunded if the eligibility criteria are met. The AESO will verify that all applicable DFO and TFO cancellation costs have been settled before issuing GUOC refunds.

Can I get other AESO fees or charges returned or waived, such as my PILON, cluster cancellation fee and forfeited GUOC?

Other fees and charges that apply due to the project cancellation will remain payable such as Cluster project re-assessment fee (applicable to Cluster 1 projects) and PILON (applicable if a DTS contract has been executed). Any annual GUOC payments that have been forfeited will not be refunded (may be applicable if the STS contract is effective and the effective date has passed).

A Market Participant may choose to receive the lump sum GUOC refund net of any outstanding AESO fees and charges, or elect to pay AESO fees and charges to get GUOC refunded in full, less any forfeited amounts.

If my project is cancelled, will my connection alternative be available to another project?

Yes, your connection alternative will be made available to projects in Cluster 3 and beyond. Projects that cancel can submit a SASR in Cluster 3 or later clusters. The project connection alternative will be re-assessed and may be different than the connection alternative for the cancelled project.

Is the AESO allowed to refund the GUOC payment if the current *Transmission Regulation* states that refund can only be made provided satisfactory operating performance?

The Government of Alberta will be making a change to the Transmission Regulation to allow for the GUOC to be refunded in lump sum, net any applicable AESO fees and charges. Actual payment of GUOC refunds is expected to occur two to three months after the applicable legislative changes are in effect.

I have not yet paid GUOC. Can my GUOC payment be delayed?

No. Per the ISO tariff, GUOC is due upon the SAS contract effective date, which occurs upon receipt of permit and licence for Connection Projects. The AESO does not have the authority to delay GUOC payments.

Connection Projects that have not yet paid GUOC can cancel before receiving P&L and GUOC evidence will be returned.

What is the impact of cancellation on my construction contribution?

Upon cancellation, the construction contribution may be adjusted for a number of reasons, including TFO cancellation costs and investment reduction.

Can I reduce my STS and get a portion of my GUOC back?

If the AESO project included the connection of multiple source assets, partial lump sum GUOC refunds would only be allowable under the following circumstances:

- Statutory Declaration submitted between October 15 and December 1, 2025, indicating a amend the SASR to remove a source asset.
- A Project Change Proposal is submitted to remove the entire source asset and reduce the maximum capability and STS by the corresponding amount.
- The reduction in capacity does not alter the AESO's selection of the preferred alternative.
- Reductions in size for an individual source asset are not permitted. GUOC will be refunded on an annual basis upon energization provided the asset meets the performance criteria.

I have not yet paid GUOC. Will I be required to pay TRP?

The AESO is still engaging on the Transmission Reinforcement Payment (TRP), please refer to the [TRP and Supply SAS page on AESO Engage](#) for schedule details. The TRP will not be effective until approved by the Alberta Utilities Commission.

If I elect to receive a net GUOC refund, will I be subject to late payment and interest charges for PILON or the reassessment fee?

Where permitted by the applicable ISO tariff and ISO rules, the AESO will aim to limit or minimize the accrual of late payment and interest charges on financial obligations to the AESO (specifically, cluster fees and PILON). Per the ISO rules, late payment and interest charges accrue on financial obligations once they are invoiced by the AESO. The AESO plans to invoice cluster fees closer to the GUOC refund date to prevent accruing late payment and interest charges on these fees. For PILON charges, whether and how much interest accrues is decided by the DTS contract capacity start date for each project. The ISO tariff requires that the AESO must receive the PILON amount at least 30 days before the contract capacity start date (CCSD), so the AESO only has the ability to prevent late payment and interest charge accruals in projects where the CCSD is later than expected GUOC refund.

The AESO project manager will advise market participants of the potential for PILON late payment and interest charges upon confirmation of SASR cancellation. Market participants may elect to pay the reassessment fee and PILON charges (if applicable) before receiving the lump-sum GUOC refund to avoid late payment and interest charges.

Incumbency Treatment

What should be considered when determining FID was made?

Companies that make an FID declaration should consider whether the following steps, as applicable, were completed for their project:

- a) Have all major contracts contemplated for the Project including but not limited to all or any of the following as applicable been executed:
 - Contracts with distribution facility owners
 - Contracts with transmission facility owners
 - Engineering, Procurement and Construction (EPC) contracts
 - Operating & Maintenance (O&M) contracts
 - Equipment contracts for equipment valued at \$5 million or greater.
- b) Have all permits and approvals from regulators, including but not limited to all or any of the following as applicable been obtained:
 - AUC approval of connection need applications
 - AUC approval of transmission facility applications
 - AUC approval of power plant applications
- c) Have all of the following been completed, as applicable:
 - Ownership or lease agreements in place for all the lands required for the project
 - Board or executive approval of the project budget and construction schedule
 - Delivery of an irrevocable notice to proceed to EPC contractors
 - Secured irrevocable Debt or Equity Financing

Does the AESO require proof of project meeting FID apart from the Statutory Declaration (e.g. proof of site control, permits, etc.)?

No, the AESO will accept Statutory Declarations at face value. Statutory Declarations must be signed by an authorized officer or an authorized representative of the company for the generating asset with authority to provide the statutory declaration, and as such have personal knowledge of the matters declared therein. The AESO has provided a template which must be used.

My organization is unwilling to sign a Statutory Declaration but would provide proof that they met the criteria of FID. Will the AESO accept this?

No, the AESO will only accept a signed Statutory Declaration letter.

My project has not met all of the FID criteria listed on the AESO website or some of the FID criteria do not apply to my project. Can I declare FID?

Market participants can declare FID based on their own criteria. The FID considerations are provided for reference only, and all criteria are not required for a company to declare FID. The AESO will rely on the statutory declaration as submitted and will not request proof of FID.

Am I required to submit a statutory declaration if I am already energized?

Assets that are already in service (i.e., have obtained a Certificate of Commercial Operation from the AESO) are assumed to have met FID and will be automatically recognized as an incumbent in the allocation of transition payments with no Statutory Declaration required.

If my project has energized a portion of its generation facilities (i.e. one or two turbines), will it automatically be considered incumbent?

The AESO considers 'in-service' generators those that have obtained a Certificate of Commercial Operation from the AESO. Market participants that have not yet received a Certificate of Commercial Operation from the AESO must submit a statutory declaration to be considered in the allocation of incumbent transition payments.

Is the AESO implementing a long-term FTR market to manage LMP congestion risk?

The AESO expects to continue stakeholder engagement on options for long-term FTRs in late 2025 or early 2026.

Will the AESO be seeking written stakeholder feedback for Incumbent Treatment?

The AESO will be seeking written feedback starting October 7 to November 3, 2025. The Stakeholder Feedback Form is located [here](#).

Still have more questions?

Send them to your project manager, or to customer.connections@aeso.ca.

Acronyms

ANAP	Abbreviated Needs Approval Process
CCSD	Contract Capacity Start Date
DFO	Distribution Facility Owner
DTS	Demand Transmission Service
EPC	Engineering, Procurement and Construction
FID	Financial Investment Decision
FTR	Financial Transmission Right
GUOC	Generating Unit Owner's Contribution
LMP	Locational Marginal Pricing
O&M	Operations & Maintenance
P&L	Permit & Licence
PILON	Payment In Lieu of Notice
SASR	System Access Service Request
STS	Supply Transmission Service
TFO	Transmission Facility Owner
TRP	Transmission Reinforcement Payment