

ISO Tariff – Section 9 Changes to System Access Service After Energization

Applicability

- 1 This section applies to a **market participant** who is receiving **system access service** under:
- (a) Rate DTS, *Demand Transmission Service*;
 - (b) Rate PSC, *Primary Service Credit*; or
 - (c) Rate STS, *Supply Transmission Service*.

Events Resulting in Adjustments to Construction Contributions

2(1) A **market participant**, the **ISO** or the **legal owner** of the **transmission facilities** may initiate a review of the **construction contribution** that the **ISO** had previously determined for a connection project when warranted by certain events.

(2) The **ISO** must review the **construction contribution** determination and may determine a **construction contribution** adjustment is required when:

- (a) a **market participant** materially increases or decreases **contract capacity** or investment term or terminates **system access service**, prior to the expiry of the investment term for a connection project;
- (b) one or more additional **market participants** use facilities originally installed for any existing **market participant**, resulting in sharing of facilities as provided for in subsection 3 below;
- (c) facilities previously classified as system-related are reclassified as participant-related to meet changes in **market participant** requirements;
- (d) facilities previously classified as participant-related are reclassified as system-related;
- (e) a material error in the original **construction contribution** is identified; or
- (f) the estimated or actual cost of the connection project materially varies from the original estimate.

(3) The **ISO** must determine the **construction contribution** under the provisions of section 8 of the **ISO tariff**, *Construction Contributions for Connection Projects*, rather than this section 9, when an increase in **contract capacity** requires the addition of new equipment at an existing **point of delivery** or **point of supply**.

(4) The **ISO** must not make any adjustment to a **construction contribution** more than twenty (20) years after **commercial operation** of a connection project.

Reductions or Terminations of Contract Capacity

3(1) The **ISO** must make a reduction or termination of **contract capacity** effective five (5) years after the date of the request for reduction or termination, subject to subsection 3(2) below.

(2) A **market participant** reducing or terminating **contract capacity** may choose to make a lump sum payment determined by the **ISO** in lieu of all or a portion of the 5-year notice period in subsection 3(1) above.

(3) The **ISO** must determine the payment in lieu of notice to represent a share of system costs potentially incurred to reasonably accommodate the **contract capacity** of a **market participant** over the 5-year planning horizon of the **transmission system** and must calculate the payment:

- (a) for any **market participant** reducing or terminating **contract capacity** under Rate DTS, as the present value of the difference in bulk system and regional system charges which would be attributed to the service with and without the reduction or termination of **contract capacity** during the notice period; or
- (b) for any **market participant** terminating **contract capacity** under Rate STS for a regulated **generating unit** listed in Appendix A of the **ISO tariff**, *Regulated Generating Units*, as the difference in regulated **generating unit** connection cost charges which would be attributable to the service with and without the termination of the service during the notice period.

(4) The **ISO** must use the discount rate provided in subsection 11 of section 8 of the **ISO tariff**, *Construction Contributions for Connection Projects*, in the present value calculation in subsection 3(3)(a) above.

(5) A **market participant** may make a payment in lieu of notice at any time prior to or during the 5-year notice period, for the remainder of the notice period and the **ISO** must receive such payment at least thirty (30) **days** before the reduction or termination of **contract capacity** is effective.

(6) The **ISO** may waive or reduce the requirement for payment in lieu of notice if the **ISO** considers that circumstances warrant where:

- (a) **contract capacity** is transferred to a **system access service** of the same **market participant** at a nearby transmission substation;
- (b) **transmission system** benefits arise from the reduction or termination of **contract capacity**, which benefits may include relief of regional transmission constraints, removal of capacity limitations which would restrict **system access service** to other **market participants** or avoidance of future upgrades to the **transmission system**; or
- (c) the reduction of **contract capacity** results from an energy or **demand** reduction initiative of the **market participant** who has taken service for at least twenty (20) years who:
 - (i) provides to the **ISO** a clear, thorough and convincing case, with supporting facts, that demonstrates the energy or **demand** reduction resulting from the initiative and
 - (ii) during the ten (10) years prior to the reduction in **contract capacity** becoming effective, has not increased **contract capacity** at the **point of delivery** at which the reduction in **contract capacity** occurs.

(7) The **ISO** may, at any time during the remainder of a notice period for which a payment in lieu of notice was made:

- (a) re-assess the payment in lieu of notice if material differences arise between the requested and actual **contract capacities** or between expected and actual load; and
- (b) require additional payment from the **market participant** if appropriate.

Metered Demand Above Pre-Notice Contract Capacity

4(1) The **ISO** must determine the **contract capacity** immediately following the 5-year notice period required by subsection 3(1) above to be the maximum of:

- (a) the pre-notice **contract capacity** less the reduction of **contract capacity** the **market participant** requested; or
- (b) the highest **metered demand** during the 5-year notice period less the reduction of **contract capacity** the **market participant** requested.

(2) A **market participant** may provide an additional notice of reduction to request a subsequent reduction of **contract capacity** to the original notice level, when the highest **metered demand** affects the maximum determined under subsection 4(1) above.

Shared Facilities

5(1) The **ISO** must allocate the participant-related costs of shared **transmission facilities** to **market participants** when **transmission facilities** are constructed to serve a **market participant** and then used to serve other **market participants** within twenty (20) years after **commercial operation** of the original connection project.

(2) The **ISO** must allocate the participant-related costs of shared **transmission facilities** by:

- (a) first, where transmission line is shared by two or more substations, allocating the costs of the shared line to those substations in accordance with subsection 5(3) below; and
- (b) second, where a single substation is shared by two or more **market participants**, allocating the shared costs associated with the substation to those **market participants** in accordance with subsection 5(4) below.

(3) The **ISO** must allocate the participant-related costs of transmission line shared by two or more substations to the substations by:

- (a) determining the higher of the sum of all Rate DTS **contract capacities** or the sum of all Rate STS **contract capacities** for each substation in each of the twenty (20) years following **commercial operation** of the original transmission line, assigning a **contract capacity** of zero (0) in any year in which a substation did not exist;
- (b) calculating the percentage share of the transmission line attributable to each substation by dividing the **contract capacity** determined in subsection 3(2)(a) above for the substation in a year by the sum of **contract capacities** determined for all sharing substations in that year;
- (c) calculating the average percentage share over the full twenty (20) year period for each substation; and
- (d) multiplying the cost of the shared transmission line by the average percentage share determined for each substation.

(4) The **ISO** must allocate the participant-related costs of **transmission facilities** used to provide **system access services** to more than one **market participant** at a single substation to the **market participants** at the substation by:

- (a) determining the **substation fraction** for each **market participant** in each of the twenty (20) years following **commercial operation** of the original connection project, assigning a

- contract capacity** of zero (0) in any year in which a **market participant** did not receive **system access service**;
- (b) calculating the average **substation fraction** over the full twenty (20) year period for each **market participant**; and
 - (c) multiplying the cost of the shared **transmission facilities** by the average **substation fraction** determined for each **market participant**.
- (5) The **ISO**, as a result of the allocation of costs of shared **transmission facilities** under subsections 5(2), 5(3) and 5(4) above:
- (a) must reduce the participant-related costs allocated to the original **market participant**; and
 - (b) may refund under subsection 6 below, where applicable, in part or in full, a **construction contribution** previously paid by that **market participant**.
- (6) The **ISO**, as a result of the allocation of costs of shared **transmission facilities** under subsections 5(2), 5(3), and 5(4) above:
- (a) must include the allocated share of existing **transmission facilities** in the determination of participant-related costs for the additional **market participants** under subsection 3(2)(d) of section 8 of the **ISO tariff**, *Construction Contributions for Connection Projects*; and
 - (b) may assess **construction contributions** to the additional **market participants** under section 8 of the **ISO tariff**, *Construction Contributions for Connection Projects*.

Determination of Construction Contribution

6 The **ISO** must determine the amount of an adjustment to a **construction contribution** paid for a connection project in accordance with the **construction contribution** provisions described in the **ISO tariff** as applied to the **transmission facilities** when constructed.

Payments and Refunds

- 7(1)** The **market participant** must pay a **construction contribution** adjustment or a payment in lieu of notice:
- (a) at least thirty (30) **days** prior to the effective date of a change to a **system access service** agreement, when the payment arises from changes to **contract capacity** or investment term that do not require construction of **transmission facilities**; and
 - (b) within thirty (30) **days** of a request for payment, in all other circumstances.
- (2) The **legal owner** of the **transmission facilities** must refund a **construction contribution** adjustment:
- (a) within thirty (30) **days** after the effective date of a change to a **system access service** agreement, when the refund arises from changes to **contract capacity** or investment term that do not require construction of **transmission facilities**;
 - (b) within ninety (90) **days** after the **Commission** issues permit and licence for **transmission facilities**, where the refund results from the construction of the **transmission facilities**; and
 - (c) within ninety (90) **days** of the **ISO** determining the amount of the adjustment, in all other circumstances.

- (3) The **market participant** must pay:
- (a) any increase in **construction contribution** by way of electronic funds transfer or wire transfer to the bank account the **legal owner** of the **transmission facilities** specifies; and
 - (b) a payment in lieu of notice by way of electronic funds transfer or wire transfer to the bank account the **ISO** specifies.
- (4) The **market participant** must pay and the **legal owner** of the **transmission facilities** must refund all adjustments without interest.
- (5) The **market participant** is not required to pay and the **legal owner** of the **transmission facilities** is not required to refund any adjustment amount less than \$10 000.

Revision History

Effective	Description
2015-07-01	Updated subsections, as approved in Commission Decision 3473-D01-2015 issued on June 17, 2015.
2011-07-01	Revised and reformatted all subsections, as approved in Commission Decision 2011-275 issued on June 24, 2011, and in Commission Decision 2011-333 issued on August 4, 2011 for subsection 5(6).