

9. TRANSMISSION

9.1 Transmission Facility Projects

9.1.1 Eligible TFO

9.1.1.1 Eligibility by Service Area

Subject to **rule** 9.1.1.2 b), c), d), e), and f) each **service area** shall have one **TFO** eligible to apply for the construction or operation, or both, of **transmission facilities** in such area. For purposes of this **rule** 9.1.1.1, the following **TFOs** are eligible for the referenced **service area**:

TFO	Service area
AltaLink L.P.	FortisAlberta Inc.
ATCO Electric Ltd.	ATCO Electric
ENMAX Power Corporation	ENMAX Corp.
EPCOR Distribution & Transmission Inc.	EPCOR Distribution & Transmission Inc.
City of Red Deer	City of Red Deer
City of Lethbridge	City of Lethbridge

9.1.1.2 Directions

- a) Subject to **rules** 9.1.1.2 b), c), d), e) and f),
 - i) the **ISO** will issue a **Direction** to the **TFO** eligible in the **service area** where the **Project** is located;
 - ii) with respect to a **Project** located in more than one **service area**, the **ISO** will issue a **Direction** to each **TFO** for that part of the **Project** located in its service area;
- b) With respect to transmission facilities that exist as of August 12, 2004, the owner of such facilities, or its successors and assigns, shall be the **TFO** eligible to receive a **Direction** with respect to any enhancements or upgrades to such facilities, subject to the **ISO** being satisfied that the operation of such facilities will result in the safe, reliable and efficient operation of the facilities. For purposes of this rule 9.1.1.2 b), owners include the following:

Owners
AltaLink L.P.
TransAlta Utilities Corp
ATCO Electric Ltd.
ENMAX Power Corporation
EPCOR Distribution & Transmission Inc.
City of Red Deer
City of Lethbridge

- c) The **ISO** may issue a **Direction** to a **TFO** other than the **TFO** that is eligible pursuant to **rule 9.1.1.1**. if such **TFO** and the **TFO** in whose **service area** the **Project** is located, have entered into an arrangement or agreement which would result in the safe, reliable and efficient operation of the **transmission system** and such arrangement or agreement has been filed with the **Commission**;
- d) Where the person who is eligible to apply for the construction and operation of a **transmission facility** was determined by a competitive process developed by the **ISO** in accordance with the **Act**, **rule 9.1** does not apply;
- e) With respect to a **Project** that is located in more than one **service area**, where the **TFOs** in those service areas have entered into an arrangement or agreements, with respect to the **Project**,
 - i) whereby the Project is to be constructed or operated or both by one or more of the **TFOs** or by a separate entity created for the purpose of the Project and wholly owned, directly or indirectly, by one or more of: (A) the **TFOs**; (B) the direct or indirect owners of the **TFOs**; and (C) entities that are directly or indirectly wholly owned by the owners of the **TFOs**; and
 - ii) which would result in the safe, reliable and efficient operation of the transmission system and such arrangement or agreement has been filed with the **Commission**.

the **ISO** may issue a **Direction** in respect of the **Project** to one or more of the **TFOs** in accordance with such arrangement or agreement, and one or more of the **TFOs**, or the entity created for the purpose of the **Project**, is eligible to apply for the construction or operation, or both, of the transmission facilities.

- f) with respect to a **Project** all but a small portion of which is located in one **service area** with the small portion located in an adjacent **service area**, the **ISO** may issue a **Direction** to the **TFO** in whose **service area** the largest portion of the **Project** is located, if, in the **ISO**'s opinion, acting reasonably, such **Direction** will result in the safe, reliable, efficient and economic operation of the **interconnected electric system**.

9.1.1.3 Directions - Interconnections to Jurisdictions outside Alberta

- a) If the **ISO** has obtained approval of a **NID** for a **Project** contemplated by the **T-Reg**:
 - i) the **ISO** may issue a **Direction** to the **TFO** eligible in the **service area** where the connection of the **Project** to the **interconnected electric system** will be located if the proponent of the **Project** has submitted an application under the **HEEA** for a permit and license for the remainder of the **Project**; or

- ii) the **ISO** may issue a **Direction** to the **TFO** eligible in accordance with **rule 9.1.1.1** if the **Project** is proposed by the **ISO**.

9.1.2 TFO Obligation to Provide Estimates and Proposals

Removed – Effective April 29, 2016

9.1.3 Project Reporting by Designated TFOs

9.1.3.1 Monthly Reporting

Unless agreed otherwise, each **Designated TFO** with respect to a **Project**, the cost of which is estimated to be more than one million dollars, shall provide to the **ISO** on or before the 15th **Business Day** of each month commencing the month after the **ISO** has issued a **Direction** to such **Designated TFO(s)**, a **Project Progress Report**.

9.1.3.2 Project Variance Reporting

In addition to any other obligations it has with respect to a **Project**, the **Designated TFO** shall notify the **ISO** as soon as reasonably practical in the event of any of the following:

- a) if the in service date of the **Project** is forecast by it to be delayed from the in service date specified in the **Direction**; or
- b) if the forecast costs of the **Project** are expected to vary by more than 10% from the amount specified in the **Direction** or if applicable, the amount agreed to by the **ISO** in an amendment to the **Direction**; or
- c) if the **TFO** has determined that a material amendment to the scope of the **Project** is required to meet the need identified with respect to the **Project**.

9.1.3.3 Project Variance Explanation

The **Designated TFO** shall include with the notice given in **rule 9.1.3.2**, the reason or reasons for any or all of the variances, including schedule delays, cost trends and scope change.

9.1.3.4 Project Change Proposal

The **Designated TFO** shall prepare and submit to the **ISO** a **Project Change Proposal** to address the delay, cost trends, or scope change, as the case may be, identified in a notice pursuant to **rule 9.1.3.2**. The **Designated TFO** shall prepare and submit such proposal to the **ISO** as soon as reasonably practical and in any event no later than 15 **days** from the date of the notice pursuant to **rule 9.1.3.2**.

9.1.3.5 Project Change Proposal Review

The **ISO** shall review the **Project Change Proposal** submitted by the **Designated TFO** pursuant to rule 9.1.3.4. As soon as reasonably practical, and no later than **15 days** following receipt of the **Project Change Proposal**, the **ISO** must do one or more of the following:

- a) approve such proposal, with or without amendments, in which event the **Project** shall be deemed amended;
- b) reject such proposal with or without requesting a revised **Project Change Proposal**;
- c) cancel the **Project**; and/or
- d) recommend that the **TFO** apply to the **Commission** for an amendment to any approval it may have obtained pursuant to the **HEEA**.

9.1.3.6 Final Cost Report

Removed – Effective April 29, 2016

9.1.3.7 Notification – Transmission Customer Projects

Notwithstanding any other provision within this rule 9.1.3, if a **Transmission Customer** has made an application for **system access service** for a specific **Project**, or portion of a **Project**, the **ISO** shall notify the **Designated TFO** in that regard. Subject to such notification;

- a) the **Designated TFO** shall provide to the **Customer** at the same time it is required to provide or submit to the **ISO**, any and all notifications and documents it is required to provide or to submit pursuant to this rule 9.1.3; and
- b) the **ISO** and the **TFO** shall review any **Project Change Proposal** with the **Customer**, and thereafter the **ISO** acting reasonably, must do one of the things identified in rule 9.1.3.5.

9.1.4 ISO Projects Reporting

No later than the last day of the month following each **Quarter**, the **ISO** shall make available on its website the **Quarterly Projects Report**.

9.1.5 Project Procurement

9.1.5.1 Project Material Procurement by Designated TFO

A **Designated TFO**, shall, in carrying out the construction of the **transmission facilities**, comply with the procurement requirements contained in this rule.

9.1.5.2 Major acquisitions

Where the cost of a specific item or type of any **Project Material** required for a **Project** is forecast by the **Designated TFO**, acting reasonably, to exceed \$50,000, the **Designated TFO** shall solicit written bids to provide such material from not less than 3 arm's length suppliers.

9.1.5.3 Minor acquisitions

Where the cost of all of any specific item or type of any **Project Material** required for a **Project** is forecast by the **Designated TFO**, acting reasonably, to exceed \$10,000 but be less than \$50,000, the **Designated TFO** shall solicit written bids, including short form written bids, to provide such material from not less than 3 arm's length suppliers.

9.1.5.4 Standing Bids

The **Designated TFO** may obtain from a supplier a written bid, including a short form written bid, that is in effect for a specified period of time and utilize such bid for purpose of making a determination in accordance with the following **rule** 9.1.5.5.

9.1.5.5 Lowest Priced Compliant Bid

Subject to rule 9.1.5.6 a), in the event the **Designated TFO** receives one or more compliant bid pursuant to **rule** 9.1.5.2 or 9.1.5.3, it shall award the contract to the party that has submitted the lowest priced, fully compliant bid.

9.1.5.6 Exceptions

- a) In the event the **Designated TFO** has awarded a contract to a party from whom it has received a bid pursuant to **rules** 9.1.5.2 or 9.1.5.3, and such party did not submit the lowest priced, fully compliant bid such **TFO** shall;
 - i) demonstrate to the **ISO**, if requested, that it was commercially reasonable to do so;
 - ii) with respect to a contract awarded where bids were received pursuant to **rule** 9.1.5.2 include in the next **Project Progress Report** for the **Project**, its reasons for not awarding such contract in compliance with **rule** 9.1.5.5; and
 - iii) with respect to all such contracts, include in its books and records its reasons for not awarding such contracts in compliance with **rule** 9.1.5.5.
- b) A **Designated TFO** may award a contract to a party without obtaining a bid pursuant to **rule** 9.1.5.2 or 9.1.5.3 if the **Designated TFO** can demonstrate to the **ISO** that it was reasonable not to obtain competitive bids, based on any of the following:

- i) that the party awarded the contract was the only entity capable to provide the **Project Material**;
- ii) that given reasonable **Project** schedule requirements, there was insufficient time to solicit bids; or
- iii) that there was insufficient information on which to base a bid.

9.1.5.7 Maintenance of Procurement Books and Records

Subject to any other obligation or duty a **Designated TFO** has, including without limitation any obligations it has pursuant to the **ISO Tariff** or the terms and conditions contained in the current version of the **Commission** approved tariff of such **TFO**, the **Designated TFO** shall maintain all written bids relating to the procurement of **Project Material** for each **Project** regarding which it has been issued a **Direction** for not less than one year from the date that the **ISO** has received the completed **Final Cost Report** for the **Project**.

9.1.5.8 Compliance Review Right of ISO

The **ISO** shall have the right exercisable upon reasonable prior notice to the **Designated TFO** to examine the books and records of the **Designated TFO**, including all written bids relating to the procurement of **Project Material**, to the extent reasonably necessary to verify, with respect to any **Project** compliance by the **TFO** with this **rule** 9.1.5; provided, that such right shall only continue for a period of one year from the date it has delivered the **Final Cost Report** of such **Project** to the **ISO**.

9.1.5.9 Reasons for non-compliance

In addition to any other provisions in these rules, in the event the **ISO**, acting reasonably, determines that a **Designated TFO** has not complied with this **rule** 9.1.5 regarding procurement, it shall advise the **Designated TFO** and give it the reasons for such non-compliance.

9.1.5.10 Project Procurement Report

The **Designated TFO** shall include in the **Final Cost Report** details regarding the level of competitive procurement with respect to the acquisitions for a **Project** made pursuant to **rule** 9.1.5.2.

9.1.6 Confidentiality

9.1.6.1 Data and Information Included

Subject to **rule** 9.1.6.2, all data and information either the **ISO** or **Designated TFO** provides to the other with respect to **rule** 9.1 shall be treated by the party receiving such data and information in accordance with the confidentiality provisions in the **ISO rules** or the terms and conditions contained in the current version of the **Commission** approved tariff of the **TFO**.

9.1.6.2 Data and Information Excluded

All **NID Estimates** and all **Quarterly Projects Reports** shall not be confidential.

9.1.7 Interpretation

In the event of any conflict or inconsistency between this **rule 9.1** and any tariff approved by the **Commission**, or **Commission** order or directive, the latter shall prevail.

9.2 Transmission Loss Factors

Removed; Effective October 10, 2012. Section has been redrafted and relocated to New ISO Rules Section 501.10.

9.3 Abbreviated Needs Identification Approval

Removed – Effective July 31, 2015

9.4 Real Time Transmission Constraint Management

Removed – Effective March 26, 2012

9.5 Annual Performance Criteria for Refund of System Contribution

Removed – Effective January 29, 2016

9.6 Merchant Transmission Facility Open Access

Removed – Effective November 16, 2012