

October 14, 2021

To: Market Surveillance Administrator, market participants and other interested parties (“Stakeholders”)

Re: **Letter of Notice for Development of the following:**

- 1) **Proposed Adjusted Metering Practice Implementation; and**
- 2) **Proposed Amendments to Section 502.10 of the ISO rules, *Revenue Metering System Technical and Operating Requirements* (“Section 502.10”)**

Pursuant to Alberta Utilities Commission Rule 017, *Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission*, (“AUC Rule 017”) the Alberta Electric System Operator (“AESO”) is providing notice and seeking feedback from Stakeholders on the proposed amendments to Section 502.10.

Additionally, the AESO is providing notice and seeking feedback from Stakeholders on the proposed Adjusted Metering Practice Implementation Plan.

Background

The AESO’s adjusted metering practice is intended to ensure a more accurate “*measurement of flow to and from the transmission system*”¹ at DFO-contracted substations.² Under the previous practice, a substation was treated as a single point of delivery and a single point of supply, which allowed for the netting of feeder flows against each other for a total that reflected the net flow through the substation. Under the adjusted metering practice, each feeder is recognized as a single point of delivery and single point of supply so that the individual feeder flows are not netted against each other. The Commission approved the adjusted metering practice in Decision 22942-D02-2019. In that Decision, the Commission concluded that the adjusted metering practice is required to align with the *Electric Utilities Act* definition of “transmission facility”,³ to ensure consistent and fair treatment between transmission and distribution connected generation; to reduce or eliminate the erosion of DTS billing determinants caused by distribution connected generators; and to reduce or eliminate the subsidy provided to distribution connected generators that the AESO considered to be partially enabled by the AESO’s existing metering practice.⁴

Issue

The Alberta Utilities Commission (the “Commission”) directed the AESO in Decision 25848-D01-2020 to implement the adjusted metering practice without legacy treatment⁵ and, as such, the adjusted metering practice will apply to both new and existing DFO-contracted substations. The Commission has recognized, however, that there will be a natural transition period to install new meters to fully operationalize the adjusted metering practice. The Commission has therefore directed the AESO to develop and file a plan that provides details on how to operationalize the implementation of the adjusted metering practice, such as extent, timing, and costs.⁶

¹ Exhibit 25848-X0059, para 21

² This term is intended to describe TFO-owned substations that serve electrical distribution systems.

³ AUC Decision 22942-D02-2019, at para 672

⁴ AUC Decision 22942-D02-2019, at para 620

⁵ AUC Decision 25848-D01-2020, at para. 44

⁶ AUC Decision 25848-D01-2020, at para. 52

Objective/Purpose

The AESO is initiating this consultation to ensure that the implementation plan and the adjusted metering practice revisions to Section 502.10 are considered in a coordinated manner.

In Decision 26215-D01-2021, the Commission directed the AESO to “file an application in respect of a proposed adjusted metering practice implementation plan on or before January 1, 2022, jointly with the further amendments to ISO Rule 502.10”.⁷ The AESO has developed an implementation plan to operationalize the adjusted metering practice and has revised Section 502.10 to include requirements in order to fully operationalize the AMP. These revisions to Section 502.10 include:

- to ensure that the design and operation of revenue metering, as documented in a functional specification, must allow for appropriate settlement per the ISO tariff; and
- regarding the installation of revenue metering at the feeder level at new DFO-contracted substations and at DFO-contracted substations that undergo specific types of work.

The implementation of the adjusted metering practice has cost implications for substations that require the installation of new revenue meters. The AESO has developed its recommendations for how the cost of new revenue meters should be treated that is included in the attached, related materials. In addition to the implementation plan and the amendments to Section 502.10, the AESO is also using this opportunity to seek input from Stakeholders on cost treatment.

Activities Completed to Date

Throughout 2021, the AESO worked with legal owners of electric distribution facilities and legal owners of transmission facilities to collect input on the required activities for the adjusted metering practice. This input formed the basis for the implementation plan. The AESO collaborated with legal owners on the details of the implementation plan, including discussions on how changes could be executed with consideration for time requirements and coordination between organizations and the AESO. This initial information gathering was aimed at obtaining information to help better understand the particulars of each organization as they relate to implementing the adjusted metering practice, including how metering is configured at their substations; the types of generation that connects to their substations; and whether their data systems require updates.

Proposed Consultation and Timeline

The AESO proposes Stakeholder consultation by way of a written process, as follows:

- 1) October 14, 2021 – the AESO posts this letter of notice and attached documents, including a proposed draft of amendments to Section 502.10, for Stakeholders’ written comment;
- 2) November 4, 2021 – the AESO will provide 3 weeks for Stakeholders to submit written comments on drafts of the AESO’s proposed amendments to Section 502.10 with comments due November 4, 2021;
- 3) November 2021 – the AESO will post all written comments from Stakeholders;
- 4) November 25, 2021 – the AESO will provide written responses to Stakeholder comments to this letter of notice if applicable; and
- 5) December 2021 – the AESO will submit a joint application to the Alberta Utilities Commission for approval of proposed amendments to Section 502.10 and the adjusted metering implementation plan.

While the AESO is of the view that consultation can be effectively conducted in writing, it proposes that Stakeholders put a placeholder in their calendars for a virtual session the morning of November 16, 2021. Following comments from Stakeholders, the AESO will determine if the virtual session is required to

⁷ AUC Decision 26215-D01-2021, at para 64

provide additional clarity or address substantive comments regarding particular aspects of the adjusted metering practice implementation.

The AESO has posted, on the AESO website, any data, analyses, or other material that the AESO considers to be relevant to the development of the proposed amendments to Section 502.10.

Stakeholder Comments

Please use the *Stakeholder Comment Matrix – Adjusted Metering Practice Implementation and Proposed Amendments to Section 502.10*, when submitting comments to the AESO regarding the proposed amendments to Section 502.10 and proposed AMP Implementation Plan.

The AESO has also included a question in the comment matrix for Stakeholders to provide their views on the topic of how the cost of installing new revenue meters should be treated, as well as provide comments on the draft implementation plan. Stakeholder feedback on these issues will assist the AESO in finalizing the adjusted metering practice implementation plan that will be filed with the Commission. Stakeholders should ensure that comments provided represent all interests within their organization.

The deadline for Stakeholders to provide comments is November 4, 2021, to rules_comments@aeso.ca. Adherence to deadlines is essential to the integrity of the comment process, and as such, the AESO may choose not to consider any Stakeholder comments received after the deadline.

The AESO will post all comments it receives on the AESO website.

Related Materials

1. *Blackline and clean copies of the draft proposed amended Section 502.10;*
2. *Adjusted Metering Practice Implementation Plan;*
3. *Adjusted Metering Practice Implementation - Background Information;* and
4. *Stakeholder Comment Matrix – Adjusted Metering Practice Implementation and Proposed Amendments to Section 502.10.*

Sincerely,

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Legal and Regulatory Affairs

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