

2020 Energy Market Trading Charge

The AESO has set a 2020 energy market trading charge at 46.6 cents per megawatt hour traded, including charges from the Alberta Utilities Commission (AUC) and the Market Surveillance Administrator (MSA). The trading charge is subject to amendment in accordance with ISO Rules Section 103.6, ISO Fees and Charges, upon conclusion of the 2020 Budget Review Process and approval of the 2020 Budget included therein.

The overall energy market trading charge in 2020 has increased by 0.6 cents from the 2019 charge of 46.0 cents per megawatt hour traded.

AESO Energy Market Trading Charge	2020 Budget	2019 Budget
AESO Component		
General and administrative costs, interest, amortization and other industry costs	29.8¢	34.7¢
Energy market deferral deficit (surplus)	<u>6.6¢</u>	<u>3.0¢</u>
Total	36.4¢	37.7¢
AUC Component	6.2¢	4.8¢
MSA Component	4.0¢	3.4¢
AESO Energy Market Trading Charge	46.6¢	46.0¢

AESO Component

The AESO's component of the 2020 energy market trading charge has been set at 36.4 cents per megawatt hour traded compared to 37.7 cents in 2019. The decrease is attributed to:

- the July 24, 2019 decision by the Government of Alberta that Alberta will not transition to a capacity market, thereby reducing costs related to its implementation; *offset* by
- a cumulative deferral account *deficit* carried forward from 2018 and 2019, including the impairment of capacity market assets that no longer hold future value. The AESO plans to recover the deferral account deficit over the period 2020 to 2022.

AUC Component

Under the provision of the *Alberta Utilities Commission Act*, AUC operating and capital costs are recovered from natural gas and electricity market participants under its jurisdiction or any person to whom the AUC provides services. Accordingly, the AUC apportions all of its costs related to its wholesale electric market activities to the AESO as an AUC administration fee.

The AUC's component of the 2020 energy market trading charge has been set at 6.2 cents per megawatt hour traded.

MSA Component

In accordance with the *Electric Utilities Act*, the energy market trading charge will also recover the costs required by the MSA. The MSA's budgeting process is a separate activity, and their budget is approved by the Chair of the Alberta Utilities Commission. The AESO receives the cost recovery requirement determined by the MSA and must include that amount net of any surplus or deficit collection from 2019 and prior years in the energy market trading charge.

For 2020, the MSA's costs represent 4.0 cents per megawatt hour traded which is the current year cost recovery.

If you have questions or would like to discuss this topic further, please call AESOfirstcall at 1-888-588-AESO (2376) during business hours from Monday to Friday between 8:00 am and 5:00 pm (Mountain Standard Time) or email info@aeso.ca.

Posted: December 17, 2019