



Alberta Electric System Operator

2021 Balancing Pool Consumer Allocation Rider F Application

December 2, 2020

Alberta Utilities Commission

Decision 26040-D01-2020

Alberta Electric System Operator

2021 Balancing Pool Consumer Allocation

Rider F Application

Proceeding 26040

December 2, 2020

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Eau Claire Tower

1400, 600 Third Avenue S.W.

Calgary, Alberta T2P 0G5

Telephone: 310-4AUC (310-4282 in Alberta)

1-833-511-4AUC (1-833-511-4282 outside Alberta)

Email: info@auc.ab.ca

Website: www.auc.ab.ca

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Contents

1 Decision summary..... 1

2 Introduction..... 1

3 Background 1

4 Rider F for 2021 2

5 Commission findings..... 3

6 Order..... 3

Appendix 1 – Proceeding participants 5

Appendix 2 – AESO 2021 Rider F..... 6

List of tables

Table 1. Rider F calculation..... 2

1 Decision summary

1. In this decision, the Alberta Utilities Commission considers an application by the Alberta Electric System Operator (AESO) for approval of its 2021 Balancing Pool consumer allocation Rider F.
2. For the reasons set forth in this decision, the Commission approves:
 - (i) the AESO's requested \$2.30 per megawatt hour (MWh) Rider F charge to all demand transmission service and demand opportunity service market participants, with the exception of the City of Medicine Hat and BC Hydro at Fort Nelson, for metered energy from January 1, 2021, through December 31, 2021; and
 - (ii) the AESO's removal of Section 2(2) from the 2021 Rider F - Balancing Pool Consumer Allocation Rider.

2 Introduction

3. On November 4, 2020, the AESO filed an application requesting approval of its 2021 Balancing Pool consumer allocation Rider F.
4. The Commission issued notice of the application on November 5, 2020, requesting that any statements of intent to participate (SIPs) be filed by November 13, 2020. As no SIPs were received, the Commission proceeded with the application by way of a *notice-only* process in accordance with Bulletin 2015-09.¹ The Commission considers the close of record for this proceeding to be November 13, 2020, the date SIPs were due.

3 Background

5. The Balancing Pool is a corporation established by Section 75 of the *Electric Utilities Act* to carry out the powers and duties set out therein.² Pursuant to Section 82 of the *Electric Utilities Act*, the Balancing Pool must prepare a budget for each fiscal year setting out its estimated revenues and expenses. Based on the forecast revenues and expenses in its budget, the Balancing Pool must determine an annualized amount that will be refunded to (or collected from) electricity market participants over the year.

¹ Bulletin 2015-09: Performance standards for processing rate-related applications, March 26, 2015.

² The Balancing Pool duties are set out in Section 85 of the *Electric Utilities Act*.

6. Following receipt of the Balancing Pool's annualized amount, the AESO is required to include this amount in its tariff.³

7. The AESO collects (refunds) from (to) market participants the Balancing Pool's annualized amount through Rider F, which applies to the following customers, as follows:⁴

1(1) Rider F of the Independent System Operator (ISO) tariff, Balancing Pool consumer allocation Rider, applies to system access service provided under:

(a) Rate DTS (demand transmission service) of the ISO tariff; and

(b) Rate DOS (demand opportunity service) of the ISO tariff.

(2) Notwithstanding subsection 1(1) above, Rider F does not apply to system access service provided to:

(a) the City of Medicine Hat; or

(b) BC Hydro at Fort Nelson, British Columbia.

4 Rider F for 2021

8. On October 19, 2020, as required by Section 82(4) of the *Electric Utilities Act*, the Balancing Pool notified the AESO of a negative annual forecast amount of \$134,317,470 for 2021 and approved a charge of \$2.30/MWh of consumption.⁵ The AESO must include the annualized amount in the ISO tariff pursuant to sections 82(5) and 30(2)(b) of the *Electric Utilities Act*.

9. The AESO consequently applied for approval of a \$2.30/MWh Rider F charge to all DTS and DOS market participants, with the exception of the City of Medicine Hat and BC Hydro at Fort Nelson, for metered energy from January 1, 2021, through December 31, 2021.

10. The AESO filed the following table to show the calculation of the consumer allocation:

Table 1. Rider F calculation

[A]	[B]	[C]	[D = B ÷ C]
Period	Annualized amount refund (charge)	Metered energy (MWh)	Annual credit (charge) (\$/MWh)
January – December 2021	(\$134,317,470)	58,398,900	(2.30)

Source: Exhibit 26040-X0002, application, PDF page 3.

11. The AESO stated that, with the exception of Section 2(2), all substantive aspects of Rider F, including the applicability criteria and use of a \$/MWh amount approach, remain unchanged from the Rider F currently in effect for 2020 metered energy.

³ Section 82(5) of the *Electric Utilities Act*.

⁴ Exhibit 26040-X0004, Appendix B - Proposed Rider F.

⁵ Exhibit 26040-X0003, Appendix A - Balancing Pool Notice.

12. Section 2(2) of the 2020 approved Rider F states:⁶

2(2) The ISO must determine Rider F to refund or collect an annualized amount estimated by the Balancing Pool and transferred to the ISO under section 82 of the Act, for the market participants receiving system access service from the ISO under subsection 1 above.

13. The AESO indicated that Section 2(2) of Rider F is no longer necessary because it reiterates the requirements set out in sections 30(2)(b) and 82 of the *Electric Utilities Act* and Section 1 of Rider F,⁷ and removing it would help achieve the Government of Alberta's objective of reducing regulatory burden.⁸

5 Commission findings

14. The Commission finds that it is reasonable for the AESO to remove Section 2(2) of the currently approved Rider F from the 2021 Rider F because it repeats the requirements set out in sections 30(2)(b) and 82 of the *Electric Utilities Act* and Section 1 of Rider F.

15. In accordance with Section 82(6)(b) of the Act, the Commission must “approve, with or without modification, the allocation of the annualized amount to the owners of electric distribution systems, industrial systems and persons that have made arrangements under Section 101(2),” being Rate DTS and Rate DOS market participants.

16. In the absence of objections to the allocation proposed or any evidence filed to demonstrate that the AESO's approach to calculating Rider F is unjust, unreasonable or unduly preferential, arbitrary or discriminatory, the Commission approves the annualized amount and its allocation to consumers through the Rider F charge as determined by the AESO.

6 Order

17. It is hereby ordered that:

- (1) The annualized amount of negative \$134,317,470 provided to the Alberta Electric System Operator by the Balancing Pool is approved, without modification, for 2021.
- (2) The applied-for Balancing Pool consumer allocation Rider F charge of \$2.30/MWh of metered energy, as included in [Appendix 2](#) of this decision, is approved, without modification, effective January 1, 2021, to December 31, 2021.

⁶ Decision 24982-D01-2019: Alberta Electric System Operator 2020 Balancing Pool Consumer Allocation Rider F Application, Proceeding 24982, November 25, 2019, Appendix 2 – AESO 2020 Rider F.

⁷ Exhibit 26040-X0008, Letter to AUC re AESO Correction to Rider F Application.

⁸ *Red Tape Reduction Act*, S.A., 2019 c. R-8.2.

Dated on December 2, 2020.

Alberta Utilities Commission

(original signed by)

Anne Michaud
Vice-Chair

Appendix 1 – Proceeding participants

Name of organization (abbreviation) Company name of counsel or representative
Alberta Electric System Operator (AESO)

Alberta Utilities Commission
Commission panel A. Michaud, Vice-Chair
Commission staff C. Strasser

Appendix 2 – AESO 2021 Rider F

[\(return to text\)](#)



Appendix 2 - AESO
2021 Rider F

(consists of 2 pages)

AESO 2021 Rider F Application

Appendix B – Proposed Rider F

Balancing Pool Consumer Allocation Rider



Applicability

- 1(1)** Rider F applies to **system access service** provided under:
- (a) Rate DTS, *Demand Transmission Service*; and
 - (b) Rate DOS, *Demand Opportunity Service*.
- (2)** Notwithstanding subsection 1(1) above, Rider F does not apply to **system access service** provided to:
- (a) the City of Medicine Hat; or
 - (b) BC Hydro at Fort Nelson, British Columbia.
- (3)** Rider F applies in all **settlement periods** from January 1, 2021 to December 31, 2021.

Rider

- 2** The **ISO** must determine Rider F as a charge of \$2.30/MWh of **metered energy** during the **settlement period**.

Terms

- 3** The terms and conditions of the **ISO tariff** form part of this rider.

Revision History

Effective	Description
2021-01-01	Updated to reflect \$2.30/MWh charge for 2021 consumption, as applied for in the 2021 Rider F Application.
2020-01-01	Updated to reflect \$2.50/MWh charge for 2020 consumption, as approved in Commission Decision 24892-D01-2019 issued on November 25, 2019.
2019-01-01	Updated to reflect \$2.90/MWh charge for 2019 consumption, as approved in Commission Decision 24037-D01-2018 issued on November 26, 2018.
2018-01-01	Updated to reflect \$3.10/MWh charge for 2018 consumption, as approved in Commission Decision 23163-D01-2017 issued on December 15, 2017.
2017-01-01	Updated to reflect \$1.10/MWh charge for 2017 consumption, as approved in Commission Decision 22248-D01-2016 issued on December 16, 2016.



AESO 2021 Rider F Application Appendix B – Proposed Rider F Balancing Pool Consumer Allocation Rider

2016-01-01	Updated to reflect \$3.25/MWh credit for 2016 consumption, as approved in Commission Decision 21031-D01-2015 issued on December 3, 2015.
2015-01-01	Updated to reflect \$5.50/MWh credit for 2015 consumption, as approved in Commission Decision 2014-317 issued on November 13, 2014.
2014-01-01	Updated to reflect \$5.50/MWh credit for 2014 consumption, as approved in Commission Decision 2013-425 issued on November 28, 2013.
2013-01-01	Updated to reflect \$5.50/MWh credit for 2013 consumption, as approved in Commission Decision 2012-306 issued on November 14, 2012.
2012-01-01	Updated to reflect \$5.50/MWh credit for 2012 consumption, as approved in Commission Decision 2011-476 issued on December 14, 2011.
2011-07-01	Revised and reformatted all subsections, as approved in Commission Decision 2011-275 issued on June 24, 2011.