

**To:** Market Participants and Other Interested Parties (Stakeholders)  
**Date:** June 30, 2022  
**Subject:** **Post-Disposition Notice – Proposed Adjusted Metering Practice (AMP) Implementation and Proposed Amendments to Section 502.10 of the ISO Rules, Revenue Metering System Technical and Operating Requirements (Section 502.10)**

The Alberta Electric System Operator (AESO) provides the following to stakeholders to provide clarity regarding next steps following the issuance of Commission Decision 27047-D01-2022 (Decision) on May 31, 2022, in which the Commission denied the AESO's application for approval to implement the AESO's AMP at substations that connect to electric distribution systems (DFO Substations).

## **Background**

On May 31, 2022, the Commission issued the Decision in which the Commission denied the AESO's application for approval of the proposed AMP implementation plan, including proposed amended Section 502.10 of the ISO rules and related ISO tariff amendments. In its decision the Commission stated:

- that it was unclear how much benefit can be achieved through AMP implementation, given that the phase out of DCG credits will eliminate one of the major causes of billing determinant erosion;
- that the AESO was not required to file a further application proposing an implementation plan; and
- that, should the AESO choose to file such an application, the AESO should include improved cost estimates in support of that implementation plan (AACE Class 3 and 5), along with a cost-benefit analysis.

## **Next Steps regarding the AMP**

- The AESO wishes to clarify to stakeholders that the DCG credits themselves do not cause billing determinant erosion, and therefore that the phase-out of DCG credits only has a limited bearing on the benefit that would be achieved through implementation of the AMP. Without the AMP in place, current billing determinants are resulting in an estimated cross subsidy of up to \$30M per year to DFOs from other users of the transmission system (billing determinant erosion). This billing determinant erosion occurs regardless of the phase-out of DCG credits and will continue to grow over time as more DCG connects to the grid. Therefore, it is the AESO's intention to re-file an AMP implementation plan before the end of 2022.
- The AESO requires certain information from the TFOs and DFOs to perform the cost benefit analysis described in the Decision. The AESO also intends to discuss with TFOs the feasibility of the cost estimating requirements set out in the Decision, which may be unduly onerous or costly to obtain.
- Following the collection of the information described above, the AESO intends to move forward with a new application for approval to implement the AMP.
- In the meantime, new and in-flight DFO connection projects are to continue with the practices for determining STS capacity and for requiring feeder meter installation that were in place without the AMP.

Questions regarding the above may be directed to [stakeholder.relations@aeso.ca](mailto:stakeholder.relations@aeso.ca)