

ISO Tariff – Appendix C

Procedure for Foreseeable Transmission Must-Run Service



PROCEDURE FOR FORESEEABLE TRANSMISSION MUST-RUN SERVICE

1 This appendix shall come into force upon the approval of the *Settlement Agreement* by the Alberta Energy and Utilities Board and remain in force until replaced or revised through the creation of an **ISO rule** following reasonable efforts by all parties hereto to develop same.

2 The **ISO** shall issue an expression of interest inviting eligible **market participants** to express interest in contracting with the **ISO** for the supply of transmission must-run service, where an existing contract is not in effect. (Reference #1 in below diagram)

3 Based on **market participant** response to the expression of interest, the **ISO** shall fairly and reasonably determine if the expression of interest is contestable (Reference #2 in below diagram). The advice and direction of the **Market Surveillance Administrator** will be sought in all such matters and, should the subsequent determination be disputed the issue of whether the expression of interest is contestable may be determined by the **Commission**. (Reference #4 in below diagram)

4 Upon determination by the **ISO** that the expression of interest is contestable a request for proposal shall be issued by the **ISO** (Reference #3 in below diagram). The **ISO** shall fairly and reasonably determine if the request for proposal is contestable, again after seeking the advice and direction of the **Market Surveillance Administrator**. (Reference #5 in below diagram)

5 If either of the expression of interest or request for proposal is deemed by the **ISO** not to be contestable the **ISO** shall issue written reasons in that regard and a bilateral negotiation process shall commence. The bilateral negotiation process:

- (a) shall be subject to the maximum transmission must-run price specified by subsection 7 of section 11 of the **ISO tariff**,
- (b) may include all **market participants** who are effective providers of the required transmission must-run service, although preference will be given to those who responded to the expression of interest or request for proposal, and
- (c) shall not be limited by the pricing provisions of subsection 6 of section 11 of the **ISO tariff** in respect of unforeseeable transmission must-run service.

(Reference #6 in below diagram)

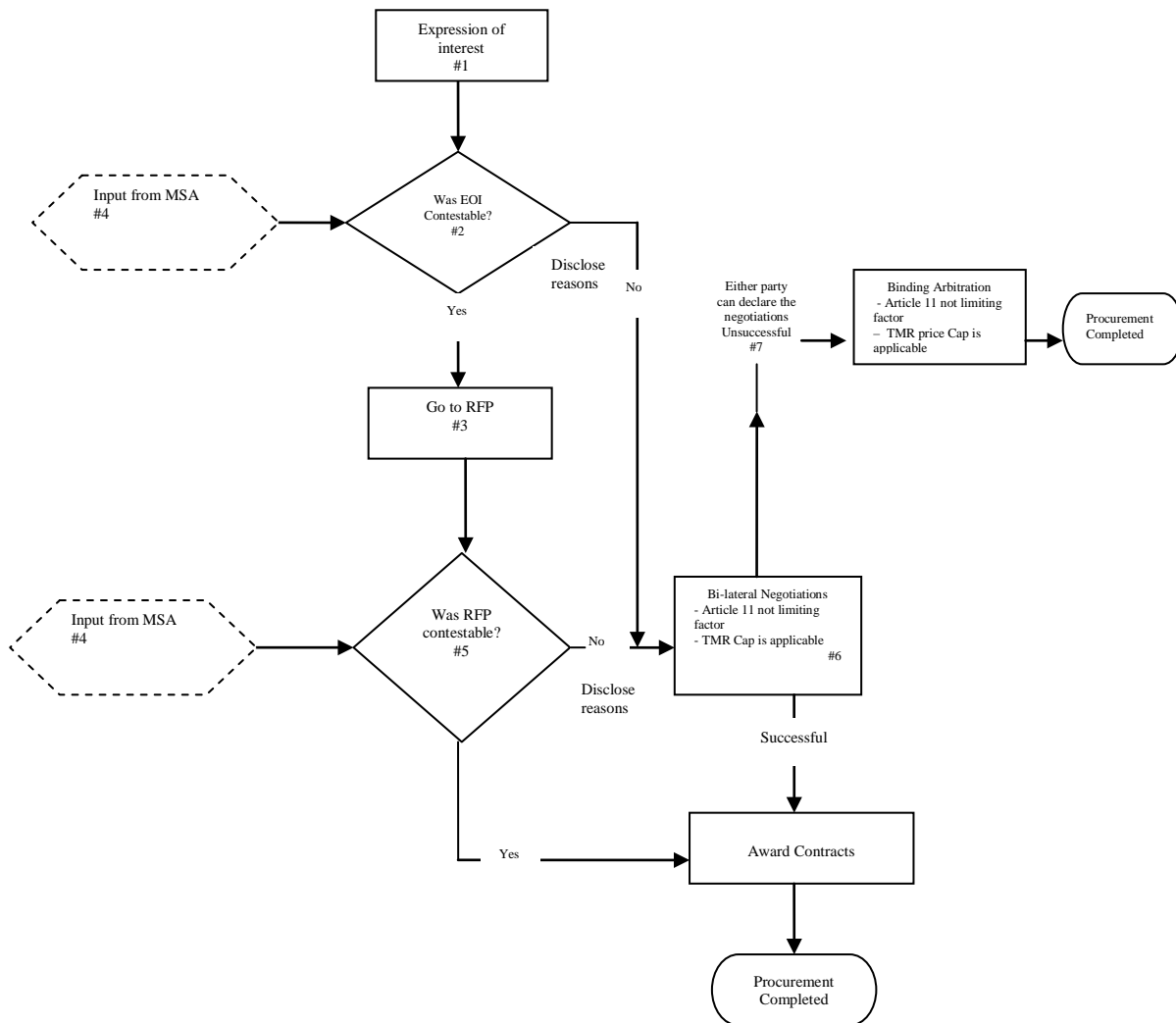
6 Any party to the bilateral negotiation process may declare it unsuccessful after thirty (30) **days**, at which time a binding arbitration process shall commence between the **ISO** and the **market participant** (Reference #7 in below diagram). In circumstances where multiple **market participants** may provide transmission must-run services to the **ISO**, the **ISO** shall act fairly and reasonably in its selection as to the party that is subject to binding arbitration. The binding arbitration process shall:

- (a) be subject to the maximum transmission must-run price specified by subsection 7 of section 11 of the **ISO tariff**, and
- (b) not be limited by the pricing provisions of subsection 6 of section 11 of the **ISO tariff** in respect of unforeseeable transmission must-run service.

(Reference #8 in below diagram)

7 The binding arbitration process shall employ the dispute resolution process established under section 103.2 of the **ISO rules** and proceed directly to arbitration as per section 103.2 of the **ISO rules**. Any arbitrator appointed pursuant to that dispute resolution process shall have an expert understanding and knowledge of the Alberta electricity marketplace. (Reference #8 in below diagram)

PROCEDURE FOR FORESEEABLE TRANSMISSION MUST-RUN SERVICE DIAGRAM



Revision History

Effective	Description
2011-07-01	Revised and reformatted all subsections, as approved in Commission Decision 2011-275 issued on June 24, 2011.