

# ISO Tariff – Section 10 Generating Unit Owner's Contribution



## Applicability

- 1 Section 10 of the **ISO tariff** applies to:
- (a) a **market participant**:
    - (i) who has requested or is receiving **system access service** under Rate STS, *Supply Transmission Service*;
    - (ii) whose agreement for **system access service** will be or was signed on or after January 1, 2006; and
    - (iii) whose Rate STS contract capacity will be or is greater than one (1) MW;
  - and
  - (b) the **ISO**.

## Allocation of Rate STS Contract Capacity

- 2 The **ISO** must allocate Rate STS **contract capacity** to each generation facility, being a **generating unit** or an **aggregated generating facility**, connected under a Rate STS **system access service** agreement to which this section of the **ISO tariff** is applicable, as follows:
- (a) for a new **system access service** agreement for a single new generation facility, the Rate STS **contract capacity** specified in the agreement must be allocated in its entirety to the new generation facility;
  - (b) for an existing **system access service** agreement which is amended to add incremental Rate STS **contract capacity** for a single new generation facility, the incremental Rate STS **contract capacity** added to the agreement must be allocated in its entirety to the new generation facility;
  - (c) for a new **system access service** agreement for two (2) or more new generation facilities, the Rate STS **contract capacity** specified in the agreement must be allocated among each new generation facility in proportion to its **maximum capability**; and
  - (d) for an existing **system access service** agreement which is amended to add incremental Rate STS **contract capacity** for two (2) or more new generation facilities, the incremental Rate STS **contract capacity** added to the agreement must be allocated among each new generation facility in proportion to its **maximum capability**.

## Determination of Legal Owner's Contribution for a Generation Facility

- 3(1) A **market participant** must pay a **legal owner's** contribution for a generation facility for:
- (a) new Rate STS **contract capacity** requirements at a new **point of supply** for **system access service** under Rate STS; and
  - (b) incremental Rate STS **contract capacity** requirements at an existing **point of supply** for **system access service** under Rate STS, where such additional requirements are the result of the addition of a new generation facility.

(2) The **ISO** must average the twelve (12) **months** of highest new or incremental Rate STS **contract capacity**, during the ten (10) years following the date a connection project enters **commercial operation**, for the determination of a **legal owner’s** contribution for a generation facility when new or incremental Rate STS **contract capacity** is staged to include increases or decreases to **contract capacity**.

(3) The **ISO** must calculate the **legal owner’s** contribution for a generation facility as:

- (a) the amount of new or incremental Rate STS **contract capacity** calculated in subsection 3(2) above;  
  
multiplied by
- (b) the contribution rate the **ISO** determines for the area of the **transmission system** where the generation facility will be located.

(4) The **ISO** must:

- (a) determine the **legal owner’s** contribution rate in accordance with section 29 of the *Transmission Regulation*, which rate will vary between \$10 000/MW and \$50 000/MW based on the area of the **transmission system** where the generation facility will be located; and
- (b) make the contribution rates publicly available on the AESO website in advance of their effective dates.

(5) The **ISO** must calculate an additional **legal owner’s** contribution for a generating facility when a **market participant** materially increases Rate STS **contract capacity** during the ten (10) years following the date a connection project enters **commercial operation**, where the additional contribution:

- (a) reflects the resulting increase, if any, to the average Rate STS **contract capacity** determined in subsection 3(2) above; and
- (b) is prorated based on any annual amounts previously determined in subsection 5(3) below for years prior to the increase.

### Payment of Legal Owner’s Contribution for a Generation Facility

4(1) The **market participant** must pay the **legal owner’s** contribution for a generation facility in full to the **ISO** by the later of:

- (a) ninety (90) **days** after the **Commission** issues permit and licence for the connection project;
- (b) thirty (30) **days** before the start of brushing or other vegetation management activities required for the connection project; or
- (c) where brushing and other vegetation management activities are not required, thirty (30) **days** before the installation of any conductors, transformers, switches or other equipment required for the connection project.

(2) The **market participant** must pay the additional **legal owner’s** contribution for a generating facility calculated under subsection 3(5) above at least thirty (30) **days** before the effective date of the increase in Rate STS **contract capacity**.

(3) The **market participant** must pay the **legal owner’s** contribution for a generation facility in full to the **ISO** by way of electronic funds transfer or wire transfer to the bank account the **ISO** specifies:

(4) The **market participant** must pay the **legal owner's** contribution for a generation facility in addition to the **construction contribution** determined in section 8 of the **ISO tariff**, *Construction Contributions for Connection Projects*.

### Refund of Legal Owner's Contribution for a Generation Facility

5(1) The **ISO** must refund to the **market participant** the **legal owner's** contribution for a generation facility where the generation facility meets the **ISO rules** regarding satisfactory annual performance, in accordance with the provisions of this subsection 5.

(2) The **ISO** must refund the **legal owner's** contribution for a generation facility in annual amounts during the refund period, which begins on January 1 following the date the generation facility enters **commercial operation** and ends nine (9) calendar years later on December 31.

(3) The **ISO** must calculate the annual amounts during the refund period as:

- (a) 5.6% of the **legal owner's** contribution for the generation facility, in each of the first through fourth calendar years in the refund period;
- (b) 11.2% of the **legal owner's** contribution for the generation facility, in the fifth calendar year in the refund period; and
- (c) 16.6% of the **legal owner's** contribution for the generation facility, in each of the sixth through ninth calendar years in the refund period.

(4) The **ISO** must refund to the **market participant**, for each calendar year during the refund period, the annual amount determined under subsection 5(3) above:

- (a) in full when the generation facility fully satisfies the performance criteria established in section 505.2 of the **ISO rules**, *Performance Criteria for Refund of Generating Unit Owner's Contribution*, during that calendar year; or
- (b) reduced in proportion to the performance assessment calculated in accordance with section 505.2 of the **ISO rules**, *Performance Criteria for Refund of Generating Unit Owner's Contribution*, when the generation facility does not fully satisfy the performance criteria during that calendar year.

(5) The **ISO** must determine annual amounts and provide refunds in accordance with subsections 5(2), 5(3) and 5(4) above even if the Rate STS **contract capacity** is zero (0) in one or more calendar years during the refund period.

(6) The **ISO** may reduce a refund if:

- (a) the refund would have otherwise been reduced in proportion to the performance assessment described in subsection 5(4) above except for a material decrease to Rate STS **contract capacity** during the ten (10) years following the date a connection project enters **commercial operation**;
- (b) the **ISO** could have potentially avoided an upgrade to or expansion of the **transmission system** if the lower Rate STS **contract capacity** had been originally requested; and
- (c) no **transmission system** benefits arise from the decrease to Rate STS **contract capacity**.

(7) The **ISO** must refund to the **market participant** the amount determined in accordance with subsections 5(4), 5(5), and 5(6) above by February 28 of the year following the calendar year to which the refund relates.

(8) The **ISO** must refund the annual amounts without interest.

### Return of Refunds

6 The **market participant** must return a refund of an annual amount, in whole or in part, if the **ISO** determines that an error was made or that an inappropriate amount was refunded.

### Revision History

Effective	Description
2013-07-01	Updated subsections, as approved in <b>Commission</b> Decision 3473-D01-2015 issued on June 17, 2015.
2011-07-01	Revised and reformatted all subsections, as approved in <b>Commission</b> Decision 2011-275 issued on June 24, 2011.