ISO Tariff – Section 5
Changes to System Access Service

Applicability

5.1 This section applies to a **market participant** who has requested or is receiving **system access service** under:

(a) Rate DTS, *Demand Transmission Service*;

(b) Rate PSC, *Primary Service Credit*; or

(c) Rate STS, *Supply Transmission Service*.

Events Resulting in Adjustments to Construction Contributions and Contract Capacity

5.2(1) A **market participant**, the **ISO** or the **legal owner** of a **transmission facility** may initiate a review of the **construction contribution** that the **ISO** had previously determined for a connection project.

5.2(2) If the **ISO** determines that the contract capacity amount in a *System Access Service Agreement* for Rate DTS or Rate STS previously determined by the **ISO** in respect of subsections 3.6(2), (3) and (4) of the **ISO tariff**, *System Access Service Request,* does not reflect the actual flows, the **ISO** may adjust the contract capacity to reflect such actual flows and the **market participant** must pay any recalculated amounts for any **construction contribution** in accordance with this section 5 of the **ISO tariff**, *Changes to System Access Service*, and any contribution for a **generating unit** or **aggregated generating facility** calculated in accordance with section 7 of the **ISO tariff**, *Generating Unit Owner's Contribution*, as applicable, provided that:

(a) prior to determining whether to adjust any contract capacity amount, the **ISO** must discuss the potential adjustment with the **market participant**; and

(b) the **ISO** must not adjust contract capacity unless the deviation from actual flows is 10 per cent or greater than the contract capacity amount.

5.2(3) A **market participant** may dispute a decision made by the **ISO** under subsection 5.2(2) in accordance with Section 103.2 of the ISO rules, *Dispute Resolution*.

5.2(4) The **ISO** must review a **construction contribution** determination and may determine a **construction contribution** adjustment is required when:

(a) a **market participant** materially increases or decreases **contract capacity** or investment term or terminates **system access service**, prior to the expiry of the investment term for a connection project;

(b) one or more additional **market participants** use facilities originally installed for an existing **market participant**, resulting in sharing of facilities as provided for in subsection 5.5 below;

(c) connection project costs previously classified as system-related are reclassified as participant-related to meet changes in **market participant** requirements;

(d) connection project costs previously classified as participant-related are reclassified as system-related;

(e) a material error in the original **construction contribution** is identified; or

(f) the estimated or actual cost of the connection project materially varies from the original estimate.

5.2(5) The **ISO** must determine a **construction contribution** under the provisions of section 4 of the **ISO tariff**, *Classification and Allocation of Connection Projects Costs*, rather than this section 5, if an increase in **contract capacity** requires the construction of **transmission facilities** at an existing **point of delivery** or **point of supply**.

5.2(6) The **ISO** must not make an adjustment to a **construction contribution** more than 20 years after **commercial operation** of a connection project.

Reductions or Terminations of Contract Capacity

5.3(1) The **ISO** must make a reduction or termination of **contract capacity** effective 5 years after the date of notice of the request for reduction or termination, subject to subsection 5.3(2) below.

5.3(2) A **market participant** may make a lump sum payment determined by the **ISO** in lieu of all or a portion of the 5-year notice period in subsection 5.3(1) above.

5.3(3) The **ISO** must calculate the payment in lieu of notice (also known as a "PILON") as a share of the costs of **system transmission facilities** incurred to reasonably accommodate a **market participant**'s **contract capacity** over the 5-year planning horizon of the **transmission system**, and must calculate the payment for a **market participant** reducing, terminating or changing the start date or end date for **contract capacity** under Rate DTS, after executing a *System Access Service Agreement*, as the present value of the difference in bulk system and regional system charges that would be attributed to the service:

(a) with the reduction or termination of or change of date for **contract capacity** during the notice period; and

(b) with the contract capacity or start date or end date for contract capacity indicated in the System Access Service Agreement last executed by the **market participant**.

5.3(4) The **ISO** must use the discount rate provided in subsection 4.9 of the **ISO tariff**, *Classification and Allocation for Connection Projects Costs*, in the present value calculation in subsection 5.3(3)(a) and (b) above.

5.3(5) A **market participant** may make a payment in lieu of notice at any time prior to or during the 5 year notice period, for the remainder of the notice period and the **ISO** must receive such payment at least 30 **days** before the reduction or termination of **contract capacity**.

5.3(6) The **ISO** may waive or reduce the requirement for payment in lieu of notice if, as determined by the **ISO**:

(a) **contract capacity** is transferred to a **system access service** of the same **market participant** at a nearby transmission substation;

(b) **transmission system** benefits arise from the reduction or termination of **contract capacity**, which may include relief of regional transmission constraints, removal of capacity limitations which would restrict **system access service** to other **market participants** or avoidance of future upgrades to the **transmission system**; or

(c) during the 5 years prior to the reduction in **contract capacity** becoming effective, the **market participant** has not increased **contract capacity** at the **point of delivery** at which the reduction in **contract capacity** occurs and, at the time that the **market participant** requests to reduce or terminate the **contract capacity**, has not executed a *System Access Agreement* under Rate DTS for future increases in **contract capacity** at the **point of delivery**.

5.3(7) The **ISO** may, at any time during the remainder of a notice period for which a payment in lieu of notice was made:

(a) re-assess the payment in lieu of notice if material differences arise between the requested and actual **contract capacities** or between expected and actual load; and

(b) require additional payment from the **market participant**.

Metered Demand Above Pre-Notice Contract Capacity

5.4(1) The **ISO** must determine the **contract capacity** immediately following the 5-year notice period required by subsection 5.3(1) above to be the maximum of:

(a) the pre-notice **contract capacity** less the reduction of **contract capacity** the **market participant** requested; or

(b) the highest **metered demand** during the 5-year notice period less the reduction of **contract capacity** the **market participant** requested.

5.4(2) A **market participant** may provide an additional notice of reduction to request a subsequent reduction of **contract capacity** to the original notice level, if the highest **metered demand** affects the maximum determined under subsection 5.4(1) above.

Shared Facilities

5.5(1) The **ISO** must allocate the participant-related costs of shared **transmission facilities** to **market participants** if **transmission facilities** are constructed to serve a **market participant** and then used to serve other but not all **market participants** within 20 years after **commercial operation** of the original connection project.

5.5(2) The **ISO** must allocate the participant-related costs of shared **transmission facilities**:

(a) when a transmission line is shared by two or more substations, by allocating the costs of the shared line to those substations in accordance with subsection 5.5(3) below; and

(b) when a single substation is shared by 2 or more **market participants**, by allocating the shared costs associated with the substation to those **market participants** in accordance with subsection 5.5(4) below.

5.5(3) The **ISO** must allocate the participant-related costs of a transmission line shared by 2 or more substations by:

(a) determining the higher of the sum of all Rate DTS **contract capacities** or the sum of all Rate STS **contract capacities** for each substation in each of the 20 years following **commercial operation** of the original transmission line, and assigning a **contract capacity** of zero in a year in which a substation did not exist;

(b) calculating the percentage share of the transmission line attributable to each substation by dividing the **contract capacity** determined in subsection 5.5(3)(a) above for the substation in a year by the sum of **contract capacities** determined for all sharing substations in that year;

(c) calculating the average percentage share over the full 20-year period for each substation; and

(d) multiplying the cost of the shared transmission line by the average percentage share determined for each substation.

5.5(4) The **ISO** must allocate the participant-related costs of **transmission facilities** used to provide **system access services** to more than one **market participant** at a single substation to the **market participants** at the substation by:

(a) determining the **substation fraction** for each **market participant** in each of the 20 years following **commercial operation** of the original connection project, assigning a **contract capacity** of zero in any year in which a **market participant** did not receive **system access service**;

(b) calculating the average **substation fraction** over the full 20-year period for each **market participant**; and

(c) multiplying the cost of the shared **transmission facilities** by the average **substation fraction** determined for each **market participant**.

5.5(5) The **ISO**, as a result of the allocation of costs of shared **transmission facilities** under subsections 5.5(2), (3) and (4) above:

(a) must reduce the participant-related costs allocated to the original **market participant**; and

(b) may refund under subsection 5.6 below, where applicable, in part or in full, a **construction contribution** previously paid by that **market participant**.

5.5(6) The **ISO**, as a result of the allocation of costs of shared **transmission facilities** under subsections 5.5(2), (3) and (4) above:

(a) must include the allocated share of existing **transmission facilities** in the determination of participant-related costs for the additional **market participants** under subsection 4.2(2)(d) of the **ISO tariff**, *Classification and Allocation for Connection Projects Costs*; and

(b) may assess **construction contributions** to the additional **market participants** under section 4 of the **ISO tariff**, *Classification and Allocation for Connection Projects Costs*.

5.5(7) The **ISO** must reclassify the participant-related costs of a connection project as system-related costs if, within 20 years after **commercial operation** of the original connection project, **transmission facilities** are constructed to serve a **market participant** and are then, in the determination of the **ISO**, used for the benefit of many **market participants,** based on calculating the average percentage share over the full 20 year period for the original connection project and the time the **ISO** reclassified the costs as system-related.

Determination of Construction Contribution

5.6 The **ISO** must determine the amount of an adjustment to a **construction contribution** paid for a connection project in accordance with the **construction contribution** provisions described in the **ISO tariff** as applied to the **transmission facility** at the time construction is completed.

Payments and Refunds

5.7(1) A **market participant** must pay a **construction contribution** adjustmentwithin 30 **days** of a request for payment.

5.7(2) A **legal owner** of a **transmission facility** must refund a **construction contribution** adjustment:

(a) within 30 **days** after the effective date of a change to a *System Access Service Agreement*, if the refund arises from changes to **contract capacity** or investment term that do not require construction of a **transmission facility**;

(b) within 90 **days** after the **Commission** issues permit and licence for a **transmission facility**, if the refund results from the construction of the **transmission facility**; and

(c) within 90 **days** of the **ISO** determining the amount of the adjustment, in all other circumstances.

5.7(3) The **market participant** must pay:

(a) an increase in **construction contribution** by way of electronic funds transfer or wire transfer to the bank account a **legal owner** of a **transmission facility** specifies; and

(b) a payment in lieu of notice by way of electronic funds transfer or wire transfer to a bank account the **ISO** specifies.

5.7(4) A **market participant** must pay and a **legal owner** of a **transmission facility** must refund all adjustments without interest.

5.7(5) A **market participant** is not required to pay and a **legal owner** of a **transmission facility** is not required to refund an adjustment amount less than $10 000.

Revision History

Effective	Description
2025-01-01	Revised as approved in **Commission** Decision 28441-D02-2024 issued April 11, 2024.
2023-07-20	Revised as applied for in the AESO 2022 ISO Tariff Modernization Application, as approved in **Commission** Decision 27864-D01-2023 issued on May 31, 2023 and in effect as of July 20, 2023 as per **Commission** Decision 28294-D01-2023 (Alberta Electric System Operator ISO Tariff Compliance Filing Pursuant to Decision 27864-D01-2023).
2021-01-01	Updated to remove the subsection relating to Regulated Generating Unit Connection Costs, as approved in **Commission** Decision 26054-D01-2020 issued on December 18, 2020.

2021-01-01	Updated $0.00/MWh charge, as approved in **Commission** Decision 25175-D01-2020 issued on November 30, 2020.
2015-07-01	Updated subsections, as approved in **Commission** Decision 3473-D01-2015 issued on June 17, 2015.
2011-07-01	Revised and reformatted all subsections, as approved in **Commission** Decision 2011-275 issued on June 24, 2011, and in **Commission** Decision 2011-333 issued on August 4, 2011 for subsection 5(6).