

ISO Rules

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Division 103, Administration

Section 103.4 Power Pool Financial Settlement



Applicability

- 1 Section 103.4 applies to:
 - (a) a **pool participant**; and
 - (b) the **ISO**.

Requirements

Currency

- 2 All payments, fees, charges, amounts and calculations under this section 103.4 must be in Canadian dollars.

Source Asset Payment and Settlement Calculation

- 3(1) The **ISO** must pay a **pool participant**, for energy production from each of its **source assets** during a **settlement interval**, an amount calculated as follows:

energy production;
minus
the volumes of all **net settlement instructions** of the **pool participant** for the **source asset**;
multiplied by
the **pool price** in \$/MWh;

where:

“energy production” in MWh for the **settlement interval** is, depending on the origins of the energy production, either the **metered energy** value for the output from the **source asset**, or the value of energy from the **interchange transaction** for the importing **pool asset**.

- (2) If during a **settlement interval** the energy production in MWh of a **source asset** is less than the volumes of all **net settlement instructions** for the **source asset**, then the **pool participant**:
 - (a) is deemed to have purchased in MWh the net difference in energy from the **power pool**; and
 - (b) must pay to the **ISO** the amount calculated under subsection 3(1) to account for the cost of that net difference in energy.

Payment for Energy Production During a System Emergency

- 4(1) Subject to subsection 4(2), the **ISO** must calculate the payment to a **pool participant** for energy production during a **system emergency** caused by a transmission **outage** based on the payment calculation under subsection 3(1), but such **system emergency** does not include one caused by a transmission **outage** during a markets suspension event.

- (2) The **ISO** must calculate the payment referred to in subsection 4(1) based on **metered energy** the **load settlement agent** or **meter data manager** submits to the **ISO** under subsection 16.

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Payment for Energy from a Long Lead Time Asset

5(1) Subject to subsection 5(2), the **ISO** must calculate the payment to a **pool participant** for energy production related to **incremental generation costs** the **pool participant** incurs as a result of a **directive** for energy from a **long lead time asset**, excluding any such **directive** issued during a markets suspension event, based on **metered energy** submitted to the **ISO** under subsection 16.

(2) If any costs a **pool participant** incurs due to a **directive** for energy from a **long lead time asset** are not fully recovered under subsections 3 and 6, and those residual costs are referenced in and recoverable under the definition of **incremental generation costs**, then the **ISO** must pay an additional amount to the **pool participant** to cover those residual costs.

Payment to a Supplier on the Margin

6(1) The **ISO** must pay an uplift payment to a **pool participant** with a **source asset** that has delivered energy pursuant to a **dispatch** during a **settlement interval** if during the **settlement interval**:

- (a) the **ISO** issues a **dispatch** for an **operating block** related to the **source asset**;
- (b) the **offer** price for the **operating block** is greater than the **pool price**; and
- (c) the energy production of the **source asset** is greater than the sum of the energy that is included in a **dispatch** for all **operating blocks** with an **offer** price below the **offer** price of the **operating block** referred to in subsections 6(1)(a) and (b).

(2) The **ISO** must calculate any uplift payment made under subsection 6(1) as follows:

- (a) If A minus B is less than or equal to C minus B , then the uplift payment equals:
 A minus B ;
 multiplied by
 D minus the **pool price**; or
- (b) If A minus B is greater than C minus B , then the uplift payment equals:
 C minus B ;
 multiplied by
 D minus the **pool price**;

where:

- “ A ” is the energy production in MWh of the **source asset** in the **settlement interval**;
- “ B ” is sum of the energy in MWh in the **settlement interval** included in the **dispatch** of all **operating blocks** of that **source asset** with **offer** prices less than the **offer** price of the **operating block** that is eligible for uplift payment for the same **source asset**;
- “ C ” is the energy production in MWh in the **settlement interval** included in the **dispatch** up to the **operating block** eligible for uplift payment for that **source asset**; and
- “ D ” is the **offer** price associated with the MW level of energy included in a **dispatch** in “ C ”.

(3) If more than one (1) **operating block** with an **offer** price greater than the **pool price** is included in

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a **dispatch**, then the **ISO** must pay the **pool participant** the uplift payment calculated in accordance with subsection 6(2) for each of the **operating blocks**.

Payment for Dispatch Down Service

7(1) The **ISO** must pay a **dispatch down service** payment to a **pool participant** with a **source asset** that has provided **dispatch down service** during a **settlement interval**, calculated as follows:

dispatch down service price;
multiplied by
dispatch down service quantity;
multiplied by
dispatch down service time;
divided by
sixty (60) minutes;

where:

“**dispatch down service price**” is the system marginal price plus the **offer** price for the **dispatch down service**, the sum of which must be greater than or equal to zero for the **settlement interval**;

“**dispatch down service quantity**” is the amount of energy in MW included in the **dispatch** to the **pool participant** for **dispatch down service** in the **settlement interval**; and

“**dispatch down service time**” is the number of minutes set out in the **dispatch** for the **source asset** for **dispatch down service** in the **settlement interval**.

Dispatch Down Service Charge

8 If the **ISO** makes any **dispatch down service** payments under subsection 7 for a **settlement interval**, then any **pool participant** with a **source asset** that has provided energy during the **settlement interval** must pay the **ISO** a charge, calculated as follows:

energy production;
multiplied by
the sum of all **dispatch down service** payments;
divided by
the sum of all energy production;

where:

“**dispatch down service payments**” are the payments calculated and paid under subsection 7; and

“energy production” is denoted in MWh for a **settlement interval** and is the **metered energy** value for the output from the **source asset**.

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Sink Asset Calculation and Payment

9(1) A **pool participant** with one or more **sink assets** must pay the **ISO** for the energy each **sink asset** consumes in a **settlement interval**, calculated as follows:

- sink asset** energy consumption;
- minus
- the volume of all **net settlement instructions** of the **pool participant** for the **sink asset**;
- multiplied by
- the **pool price**;

where:

“**sink asset** energy consumption” for the **settlement interval** is, depending on the origins of the energy consumption, either the **metered energy** value for the **pool asset** originating from **load**, or the value of energy from the **interchange transaction** for the exporting **pool asset**.

(2) If, for the **settlement interval**, the **sink asset** energy consumption is less than the volumes of all **net settlement instructions**, then:

- (a) the **pool participant** is deemed to have sold the MWh net difference in energy to the **power pool**; and
- (b) the **ISO** must pay the **pool participant** the amount calculated under subsection 9(1) to account for the cost of that net difference in energy.

Charge for Cost of Energy from a Long Lead Time Asset

10 The **ISO** must include as a line item in any **power pool** statement any charge to a **pool participant** under subsection 7 of section 103.6 of the **ISO** rules, *ISO Fees and Charges* for the **ISO** to recover any costs associated with a **directive** for energy from a **long lead time asset**.

Allocation of Charges for Payments to a Supplier on the Margin

11 If, for any **settlement interval**, the **ISO** has paid a **pool participant** an uplift payment in accordance with subsection 6, then any **pool participant** with energy consumption in the same **settlement interval** must pay the **ISO** a charge the **ISO** calculates as follows:

- the sum in dollars of all uplift payments;
- multiplied by
- the energy consumption of the **pool participant**;
- divided by
- the sum of energy consumption of all **pool participants**.

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Post Final Adjustments for Load Settlement

12(1) The **ISO** must calculate and include in a preliminary **power pool** statement for a **settlement period** any post final adjustments required in accordance with **Commission Rule 021, Settlement System Code Rules**.

(2) Subject to subsection 12(5), the **ISO** must include in a preliminary **power pool** statement for a **settlement period** any post final adjustments a **load settlement agent** submits to the **ISO** as required under **Commission Rule 021, Settlement System Code Rules**.

(3) If the **ISO** cannot complete all post final adjustments in time for inclusion in a preliminary **power pool** statement for a **settlement period**, then the **ISO** must include the post final adjustments on the preliminary **power pool** statement for the next **settlement period**.

(4) The **ISO** must accept the post final adjustment data a **load settlement agent** submits, and apply the relevant historical **pool price** to that data in order to arrive at the applicable financial adjustments for the RSA, RAM and TAA, all as defined in **Commission Rule 021, Settlement System Code Rules**.

(5) Commencing July 1, 2011, the **ISO** must include post final adjustments in the final **power pool** statement for a **settlement period**, but if the **ISO** does not receive all information from a **load settlement agent** within the time periods set out in the post final adjustment schedule posted on the AESO website, then the **ISO** must include any remaining post final adjustments for that **settlement period** in the final **power pool** statement for the next **settlement period**.

Other Post Final Adjustments

13(1) Subject to subsection 13(2) the **ISO** must make post final adjustments for any energy production or energy consumption calculations for a **settlement period** if there are adjustments to metering data required after the **month** of determination on a final basis as referenced in subsections 17(2)(d) and (e).

(2) Any post final adjustments for any energy production or energy consumption which may apply prior to January 1, 2001 are prohibited, and there is no right of dispute for any transaction or settlement that occurred prior to that date.

Energy Market Trading Charge

14 The **ISO** must include as a line item in any **power pool** statement to a **pool participant** the energy market trading charge for the **pool participant**, calculated under subsection 6 of section 103.6 of the **ISO rules, ISO Fees and Charges**.

ISO Reporting of Import and Export Transactions

15 For purposes of facilitating financial settlement, the **ISO** must calculate and include import and export **interchange transactions** based on the **interchange schedules**, after taking into account any curtailments required to manage constraints on any applicable transfer paths.

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Metering Data Submission Requirements

16(1) For the purposes of facilitating **power pool** financial settlement, **load settlement agents** and **meter data managers** must provide metering data to the **ISO** in the format designated in section 9.6.2.4.1 of **Commission Rule 021, Settlement System Code Rules**.

(2) The **metered energy** submitted to the **ISO** for **system emergency** energy production under subsection 2 must be in the format designated in subsection 9.6.2.4.1 of **Commission Rule 021, Settlement System Code Rules**.

Preliminary Power Pool Statement

17(1) No later than the close of business on the fifth (5th) **business day** after the last day of each **settlement period**, the **ISO** must issue on the AESO website a preliminary **power pool** statement to each **pool participant** containing the amount of energy a **pool participant** purchases and supplies and the payment calculation for that energy determined on:

- (a) an initial basis for that **settlement period**;
- (b) an interim basis for the two (2) **months** prior to that **settlement period**; and
- (c) a final basis for the four (4) **months** prior to that **settlement period**.

(2) The preliminary **power pool** statement must include the following line items:

- (a) the amount of energy purchased from the **pool participant** and supplied by the **pool participant** determined on an initial basis in that **settlement period**;
- (b) up to and including June 30, 2011, the amount of energy purchased from the **pool participant** and supplied by the **pool participant** determined on an interim basis in the third (3rd) **month** following the initial **settlement period**;
- (c) on and after July 1, 2011, the amount of energy purchased from the **pool participant** and supplied by the **pool participant** determined on an interim basis in the second (2nd) **month** following the initial **settlement period**;
- (d) up to and including June 30, 2011, the amount of energy purchased from the **pool participant** and supplied by the **pool participant** determined on a final basis in the seventh (7th) **month** following the initial **settlement period**;
- (e) on and after July 1, 2011, the amount of energy purchased from the **pool participant** and supplied by the **pool participant** determined on a final basis in the fourth (4th) **month** following the initial **settlement period**;
- (f) the energy market trading charge amount allocable to the **pool participant** as calculated in accordance with subsection 6 of section 103.6 of the **ISO rules, ISO Fees and Charges**;
- (g) any payment default charge amount allocable to the **pool participant** as calculated in accordance with subsection 8 of section 103.6 of the **ISO rules, ISO Fees and Charges**, including details regarding the calculation of the payment default charge as allocated to that **pool participant**, or any refund of that default charge amount;
- (h) any other **ISO fees** and charges under section 103.6 of the **ISO rules, ISO Fees and**

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Charges, including the **pool participant** fee, digital certificate charges, and records and data provision charges;

- (i) any interest, late payment or other costs or charges under section 103.7 of the **ISO rules**, *Financial Default and Remedies*;
- (j) the net amount either owing to or by the **pool participant**; and
- (k) such other information as the **ISO** considers appropriate.

(3) If a **pool participant** has both an energy charge and an energy payment in a **settlement period**, then the preliminary **power pool** statement must contain line items for the amount of energy purchased, the amount of energy supplied and the net amount owing or owed for all transactions with the **power pool**.

(4) Subject to the provisions of section 103.1 of the **ISO rules**, *Confidentiality*, and upon reasonable written request, the **ISO** must provide to a **pool participant** any supporting records used in determining the line items and net amounts contained in a preliminary or final **power pool** statement.

(5) If the AESO website is not available on the fifth (5th) **business day** referred to in subsection 17(1), then the **ISO** must use reasonable efforts to issue to **pool participants** the preliminary **power pool** statement using fax or other alternative and reasonable delivery means available to the **ISO**.

(6) Each **pool participant** is responsible for retrieving its preliminary **power pool** statement from the AESO website once the **ISO** issues the statement.

(7) If a **pool participant** notifies the **ISO** that, after having used all reasonable efforts, the **pool participant** failed to retrieve its preliminary **power pool** statement from the AESO website, then the **ISO** must use an alternative and reasonable delivery means, and the **pool participant** is deemed to have received the preliminary **power pool** statement on the **business day** the preliminary **pool statement** is delivered to the **pool participant** by that means.

Final Pool Statement

18(1) No later than the close of business on the fifteenth (15th) **business day** after the end of each **settlement period**, the **ISO** must issue on the AESO website a final **power pool** statement to each **pool participant** containing the line items, calculations and amounts set out in the preliminary **power pool** statement and determined on:

- (a) an initial basis for that **settlement period**;
- (b) an interim basis for the two (2) **months** prior to that **settlement period**; and
- (c) a final basis for the four (4) **months** prior to that **settlement period**.

(2) The final **power pool** statement may also contain any updated items and information not previously appearing on the preliminary **power pool** statement.

(3) If the AESO website is not available on the fifteenth (15th) **business day** referred to in subsection 18(1), then the **ISO** must use reasonable efforts to issue to **pool participants** the final **power pool** statement using fax or other alternative and reasonable delivery means available to the **ISO**.

(4) Each **pool participant** is responsible for retrieving its final **power pool** statement from the AESO website once the **ISO** issues the statement.

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(5) If a **pool participant** notifies the **ISO** that, after having used all reasonable efforts, the **pool participant** failed to retrieve its final **power pool** statement from the AESO website, then the **ISO** must use an alternative and reasonable delivery means, and the **pool participant** is deemed to have received the final **power pool** statement on the **business day** the final **power pool** statement is delivered to the **pool participant** by that means.

Pool Settlement Date and Payment Obligations

19(1) The settlement date for a **settlement period** is the twentieth (20th) **business day** following the last day of that **settlement period**.

(2) Each January, the **ISO** must publish on the AESO website the calendar dates which are settlement dates for the current and next calendar year, being the dates for the financial settlement for the final **power pool** statements and the **ISO tariff**.

(3) Subject to subsection 20, no later than the specified settlement date for a **settlement period**, a **pool participant** must pay to the **ISO** the net dollar amount it owes.

(4) If the **ISO** owes a net dollar amount to the **pool participant**, as set out in the final **power pool** statement for the **settlement period**, then the **ISO** must pay that amount by the settlement date.

(5) In accordance with subsection 7 of section 103.2 of the **ISO rules**, *Dispute Resolution*, the **pool participant** must make full payment of the net amount the **pool participant** owes as set out in the final **power pool** statement, whether or not any such amounts are under dispute.

Acceleration in Pool Settlement Dates Due to Payment Default

20(1) If a **pool participant** has:

- (a) in its first calendar year of **pool participant** registration, defaulted in the payment for a **settlement period** one (1) time; or
- (b) after its first calendar year of **pool participant** registration, defaulted in the payment for any **settlement period** two (2) times over twelve (12) **settlement periods**;

then, for the next six (6) **settlement periods** following the date of the first (1st) default under subsection (a) or the second (2nd) default under subsection (b), the **ISO** may require that the **pool participant** must pay the **ISO** on the nineteenth (19th) **business day** following the end of the **settlement period**.

(2) If the **pool participant** does not commit any further default in payment during the six (6) **settlement periods** referred to in subsection 20(1) then, commencing on the next **settlement period** following the end of the six (6) **settlement periods**, the settlement date for the **pool participant** will revert to the twentieth (20th) **business day** following the end of a **settlement period**.

(3) If a **pool participant** is required to pay on the nineteenth (19th) **business day** in accordance with subsection 20(1) and there is one (1) more default in payment during the next six (6) **settlement periods**, then the **ISO** may require, for the twelve (12) settlement dates following the date of the further default, that the **pool participant** must pay the **ISO** on the eighteenth (18th) **business day** following the end of the **settlement period**.

(4) If the **pool participant** does not commit any further default in payment during the twelve (12) **settlement periods** referred to in subsection 20(3) then, commencing on the next **settlement period** following the end of the twelve (12) **settlement periods**, the settlement date for the **pool participant** will

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revert to the twentieth (20th) **business day** following the end of a **settlement period**.

(5) The discretion of the **ISO** to implement the accelerated payment obligations under this subsection 20 is in addition to any other rights and remedies of the **ISO** in accordance with section 103.7 of the **ISO rules**, *Financial Default and Remedies*, with regard to any payment default by the **pool participant**.

Interest and Other Late Payment Costs and Charges

21 If a **pool participant** fails to pay on or before a settlement date any outstanding **financial obligation** dollar amount owing to the **ISO** by the **pool participant** as set out in any of the **pool participant's** final **power pool** statements, then that **pool participant** must pay interest, a late payment charge, and any other costs and charges in accordance with the provisions of section 103.7 of the **ISO rules**, *Financial Default and Remedies*.

Method of Payment

22 A **pool participant** must pay any net dollar amount the **pool participant** owes, as set out in its final **power pool** statement, to the **ISO** by wire transfer to the bank account the **ISO** specifies.

Prepayment Procedures

23(1) A **pool participant** may prepay by wire transfer at any date during a **settlement period** other than a specified **settlement period** date.

(2) The **ISO** may apply any prepayment amount against any outstanding **financial obligations** of that **pool participant**.

Informal Disputes

24 If a **pool participant** has a dispute with the **ISO** about the content of a final **power pool** statement of the **pool participant** prior to the **ISO** issuing that final **power pool** statement on a final basis in accordance with subsection 18(1)(c), then the **pool participant** and the **ISO** must make reasonable efforts to informally resolve the dispute in accordance with subsection 2 of section 103.2 of the **ISO rules**, *Dispute Resolution*.

Formal Dispute Periods

25 Each January, the **ISO** must publish on the AESO website the formal dispute submission periods for each of the **settlement periods** of that calendar year.

Power Pool Statement Formal Disputes After Final Pool Statement

26(1) Subject to subsection 28, a **pool participant** may not formally dispute a final **power pool** statement for a **settlement period** until the **ISO** has issued the final **pool statement** on a final basis for that **settlement period** in accordance with subsection 18(1)(c).

(2) If a **pool participant** desires to proceed with a formal dispute, then the **pool participant** must submit a written dispute notice to the **ISO** in accordance with subsection 3 of section 103.2 of the **ISO rules**, *Dispute Resolution*, prior to the expiry of the formal dispute submission period for the **settlement period**.

(3) The **ISO** must not make adjustments to any amounts of any final **power pool** statement issued on

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a final basis unless the adjustments result from a formal dispute resolution written agreement between the **ISO** and the **pool participant** or from a determination under subsection 5(3) of section 103.2 of the **ISO rules**, *Dispute Resolution*.

(4) If the terms of a formal dispute have been agreed to in principle between the **ISO** and the **pool participant**, then the **ISO** must deliver a written agreement to the **pool participant** detailing the dispute resolution terms, the subject **settlement period**, a summary of adjustments, and the requirement that the **pool participant** confirms and agrees to the formal dispute resolution by signing and returning the written agreement to the **ISO**.

(5) The **pool participant** must, no later than the close of business on the thirtieth (30th) **business day** from the receipt of the written agreement from the **ISO**, reply by signing and accepting the written agreement and once signed and accepted and redelivered to the **ISO**, the **pool participant** will not have further recourse under section 103.2 of the **ISO rules**, *Dispute Resolution* or any other legal or equitable remedy with respect to the formal dispute.

(6) If the **pool participant** fails to respond within the thirty (30) **business day** period, then the **pool participant** will be deemed to have accepted the written agreement and the **pool participant** will not have further recourse under section 103.2 of the **ISO rules**, *Dispute Resolution*, or any other legal or equitable remedy with respect to the formal dispute.

(7) If the **pool participant** rejects the written agreement by delivering a rejection notice to the **ISO** within the thirty (30) **business day** period, then the **pool participant** may seek to have the formal dispute resolved by a determination under subsection 5(3) of section 103.2 of the **ISO rules**, *Dispute Resolution*.

Power Pool Statement Adjustments for Resolved Disputes

27(1) If an informal dispute is resolved under subsection 24, then the final **power pool** statement for that **settlement period** must include any resolved line item adjustments and the adjusted net amount payable by or to the **pool participant**.

(2) If a formal dispute is resolved under subsection 26, then next final **power pool** statement after the resolution must include any resolved line item adjustments and the adjusted net amount payable by or to the **pool participant**.

Settlement System Code Determination by ISO

28 If a **pool participant**, as a complainant under **Commission Rule 021, Settlement System Code Rules**, does not agree with a Determination referred to in subsection 5.3.4 of that rule, then the **pool participant** may give notice in writing to the **ISO** for an **ISO** determination and the provisions of section 103.2 of the **ISO rules**, *Dispute Resolution* will apply to that **ISO** determination.

ISO Recourse to Section 103.7 Financial Default and Remedies

29 The failure of a **pool participant** to pay any dollar amount under this section 103.4 is deemed to be a **financial obligation** default event which will allow the **ISO** to have recourse to the rights and remedies of the **ISO** under section 103.7 of the **ISO rules**, *Financial Default and Remedies*.

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Revision History

Effective	Description
2011-07-01	Initial Release
2013-01-08	Previously defined terms have been un-defined, therefore words have been un-bolded. “long lead time energy” has been replaced with “energy from a long lead time asset ”.