



Alberta Electric System Operator

Approval of Proposed New Section 502.10
of the ISO Rules and Associated Terms and Definitions

March 18, 2021

Alberta Utilities Commission

Decision 26304-D01-2021

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of the ISO Rules and Associated Terms and Definitions

Application 26304-A001

Proceeding 26304

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1 Introduction

1. On February 10, 2021, the Alberta Electric System Operator (AESO)¹ submitted an application² to the Alberta Utilities Commission requesting approval of new Section 502.10 of the independent system operator (ISO) Rules, *Revenue Metering System Technical and Operating Requirements*, and the associated terms and definitions, pursuant to Section 20.2 of the *Electric Utilities Act*, to be effective immediately.

2. On February 18, 2021, the Commission issued a notice of application and requested the submission of statements of intent to participate by March 4, 2021. No statements of intent to participate were received.

3. The Commission considers that the record of this proceeding closed on March 4, 2021.

4. In reaching the determinations set out within this decision, the Commission has considered all relevant materials comprising the record of this proceeding. Accordingly, references in this decision to specific parts of the record are intended to assist the reader in understanding the Commission's reasoning relating to a particular matter and should not be taken as an indication that the Commission did not consider all relevant portions of the record with respect to that matter.

2 Legislative and regulatory framework

5. Under Subsection 20.2(1) of the *Electric Utilities Act*, the AESO must apply to the Commission for approval of a proposed ISO rule.

6. After considering an ISO rule, in accordance with Subsection 20.21(1) of the *Electric Utilities Act*, the Commission may, by order, approve the ISO rule, direct the AESO to revise the ISO rule or refuse to approve the ISO rule.

7. In accordance with Subsection 20.21(2) of the *Electric Utilities Act*, the Commission may approve an ISO rule filed under Section 20.2 only if the Commission is satisfied:

[...]

(a) that the ISO rule

(i) is not technically deficient,

(ii) supports the fair, efficient and openly competitive operation of the market to

¹ The ISO is established under Subsection 7(1) of the *Electric Utilities Act* and operates under the trade name AESO. For the purposes of this decision, AESO and ISO are used interchangeably.

² Application 26304-A001.

which it relates, and

(iii) is in the public interest,

[...]

and

(c) that the Independent System Operator, in developing the rule, complied with the Commission rules made under section 20.9.

8. Section 20.9 of the *Electric Utilities Act* requires the Commission to make rules requiring the AESO to consult with parties in the development of ISO rules and permits the Commission to develop rules governing the AESO's process in the development of those rules. Rule 017: *Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission*, is the Commission rule which was created in response to Section 20.9 of the *Electric Utilities Act*.

3 Background

9. Prior to its expiration in February 2013, the AESO Measurement System Standard (the Standard) had set out the requirements for the installation, operation and maintenance of revenue metering systems.

10. To replace the Standard, the AESO has developed the final proposed new Section 502.10 and the associated terms and definitions, in collaboration with stakeholders. Together, these ensure that metering practices in Alberta support the safe and reliable operation of the interconnected electric system, promote a fair, efficient and openly competitive market and are in the public interest.

11. The AESO submitted that its consultation process, beginning in 2016, and involving working groups and stakeholder comments, included any party that was interested in, or may be directly affected by, the proposed new Section 502.10; and that all members of the consultation group had sufficient opportunity to make submissions on the information identified in subsections 7.2(b) through (j) of Rule 017.

12. Some stakeholders had expressed disagreement with the proposed new Section 502.10 applying to the legal owner of a revenue meter, stating that, often, meter data managers or meter services providers perform the work required by the proposed new Section 502.10, not the legal owner. The AESO consulted with various stakeholders to examine the appropriateness of responsibility falling to the legal owner and discovered that arrangements varied greatly by company. Therefore, in the absence of widespread industry standards, the AESO determined that responsibility should ultimately fall to the legal owner, as originally drafted.

13. Rodan Energy Solutions raised concerns regarding the minimum technical requirements contained within the proposed new Section 502.10, stating that some important things had been lost from the original Standard and suggesting other requirements that should be included. The AESO consulted with other stakeholders and ultimately determined that it was not necessary to incorporate Rodan's suggestions into the proposed new Section 502.10, considering current industry practice, the cost implications and the overlap with other federal and provincial requirements.

14. In the AESO's view, there are no substantive issues outstanding in relation to the proposed new Section 502.10, and its consultation process satisfies the requirements of Rule 017.

15. The AESO requested that the Commission approve the proposed new Section 502.10 and associated terms and definitions, pursuant to Section 20.21 of the *Electric Utilities Act*, having regard to each of the following factors:

(a) The ISO rule is not technically deficient (Section 20.21(2)(a)(i) of the *Electric Utilities Act*)

16. The AESO submitted that the proposed new Section 502.10 is consistent with the statutory scheme, particularly Subsection 20(1) of the *Electric Utilities Act*, and is complete and reasonably self-contained. The proposed new Section 502.10 was also drafted to be clear, concise and cohesive to facilitate stakeholders' understanding.

(b) The ISO rule supports the fair, efficient and openly competitive operation of the market to which it relates (Section 20.21(2)(a)(ii) of the *Electric Utilities Act*)

17. Since the Standard expired in 2013, the AESO has relied on an ad hoc method of project functional specifications and measurement point definition records to enforce revenue metering compliance. The proposed new Section 502.10 will codify these requirements in a clear and efficient manner, ensuring that all market participants are treated fairly.

(c) The ISO rule is in the public interest (Section 20.21(2)(a)(iii) of the *Electric Utilities Act*)

18. The requirements within the proposed new Section 502.10 apply consistently to all legal owners of revenue meters in Alberta; provide legal owners with flexibility to implement measures in excess of the minimum requirements; are aligned with (but not duplicative of) other relevant legislation; ensure the proper location of revenue meters and measurement points to prevent net-metering where not appropriate, and deductive totalization; ensure the accuracy and integrity of metering data and are in alignment with the Government of Alberta's Red Tape Reduction Initiative.

4 Commission findings

19. The Commission is satisfied that the application for the proposed new Section 502.10 and associated terms and definitions meets all requirements for approval as set out in Subsection 20.21(2) of the *Electric Utilities Act* and that the AESO has complied with the requirements set out in Rule 017.

20. More specifically, noting the absence of opposition to the application and in the absence of evidence to the contrary, the Commission is satisfied, based on the explanations afforded by the AESO, that the proposed amendments to Section 502.10: are not technically deficient; support the fair, efficient and openly competitive operation of the market to which they relate; and are in the public interest.

21. Having reviewed the details of the application including details of the consultation conducted by the AESO, the Commission is also satisfied that the informational and consultation requirements established by Rule 017 have been met. The Commission agrees with the AESO's explanations for stakeholder comments that were not incorporated into the proposed new Section 502.10.

22. Accordingly, pursuant to Subsection 20.21(1)(a) of the *Electric Utilities Act*, the Commission, by order, approves the proposed new Section 502.10 of the ISO Rules, *Revenue Metering System Technical and Operating Requirements*, and the associated terms and definitions, to be effective as of the date of this decision.

Dated on March 18, 2021.

Alberta Utilities Commission

(original signed by)

Vincent Kostas
Acting Commission Member