



WCSB Power Holdings GP Ltd.

Application for an Order Permitting the Sharing of Records Not Available to the Public Between WCSB Power Holdings GP Ltd., WCSB Power Holdings Limited Partnership, URICA Energy Real Time Ltd. and URICA Asset Optimization Ltd.

May 26, 2021

Alberta Utilities Commission

Decision 26507-D01-2021

WCSB Power Holdings GP Ltd.

Application for an Order Permitting the

Sharing of Records Not Available to the Public Between

WCSB Power Holdings GP Ltd., WCSB Power Holdings

Limited Partnership, URICA Energy Real Time Ltd.

and URICA Asset Optimization Ltd.

Proceeding 26507

Application 26507-A001

May 26, 2021

Published by the:

Alberta Utilities Commission

Eau Claire Tower

1400, 600 Third Avenue S.W.

Calgary, Alberta T2P 0G5

Telephone: 310-4AUC (310-4282) in Alberta

1-833-511-4AUC (1-833-511-4282) outside Alberta

Email: info@auc.ab.ca

Website: www.auc.ab.ca

The Commission may, within 30 days of the date of this decision and without notice, correct typographical, spelling and calculation errors and other similar types of errors and post the corrected decision on its website.

Contents

1	Decision summary	1
2	Introduction and procedural background	1
3	The Commission’s authority to allow record sharing	2
4	Submissions of the applicant	3
	4.1 Is the proposed sharing of records reasonably necessary	3
	4.2 Fair, efficient and openly competitive operation of the electricity market.....	3
	4.3 Offer control.....	4
5	Commission findings	4
6	Order	6

**Application for an Order Permitting the Sharing
of Records not Available to the Public Between
WCSB Power Holdings GP Ltd., WCSB Power Holdings
Limited Partnership, URICA Energy Real Time Ltd.
and URICA Asset Optimization Ltd.**

**Decision 26507-D01-2021
Proceeding 26507
Application 26507-A001**

1 Decision summary

1. In this decision, the Alberta Utilities Commission considers whether to approve an application brought under Section 3 of the *Fair, Efficient and Open Competition Regulation*, by WCSB Power Holdings GP Ltd. (WCSB), for the preferential sharing of records that are not available to the public between WCSB, WCSB Power Holdings Limited Partnership (WCSB LP), URICA Energy Real Time Ltd. (URICA Real Time) and URICA Asset Optimization Ltd. (URICA Optimization).

2. As discussed in greater detail below, WCSB established that the sharing of such records is reasonably necessary for it to carry out its business and that the shared records will not be used for any purpose that will not support the fair, efficient and openly competitive operation of the electricity market. On this basis, and noting the support of the Market Surveillance Administrator, the Commission has granted the application to permit the sharing of records pertaining to the electricity and ancillary services markets under Subsection 3(3) of the *Fair, Efficient and Open Competition Regulation*.

2 Introduction and procedural background

3. On April 30, 2021, WCSB filed an application¹ with the AUC pursuant to Section 3 of the *Fair, Efficient and Open Competition Regulation*, AR 159/2009. The application sought an order from the Commission permitting the sharing of records not available to the public between WCSB, WCSB LP, URICA Real Time and URICA Optimization, relating to the eReserve2 Battery Energy Storage Power Plant (eReserve2), which consists of 14 1.5-megawatt (MW) lithium-ion batteries, for a total generating capacity of 20 MW. As part of its application, WCSB requested that the Commission issue the order by June 1, 2021.

4. In its application, WCSB identified that it has entered into commercial arrangements with URICA Real Time, which, among other things, appoints URICA Real Time as an agent of WCSB to provide advisory and real-time dispatch and restatement services with respect to eReserve2. Additionally, WCSB has entered into commercial arrangements with URICA Optimization, which works with clients to consider various pricing options and strategies for assets. These arrangements will make it necessary for WCSB, WCSB LP, URICA Real Time and URICA Optimization to share with each other certain records that are not otherwise available to the public, including energy prices, volume pairs and available capability. The agreement between the companies is for dispatch services to be provided until the earlier of June 1, 2029, or the termination of the commercial arrangements.

¹ Application 26507-A001.

5. The Commission issued notice of the application on May 4, 2021. In the notice, the Commission advised that the parties granted standing in the proceeding were limited to WCSB and the Market Surveillance Administrator (MSA), in accordance with Subsection 3(5) of the *Fair, Efficient and Open Competition Regulation*.
6. On May 18, 2021, the MSA advised the Commission that it supports the application of WCSB and does not require further evidentiary process.
7. The Commission considers the record for this proceeding closed as of May 18, 2021.
8. In reaching the determinations contained 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.

3 The Commission's authority to allow record sharing

9. Subsection 3(1) of the *Fair, Efficient and Open Competition Regulation* establishes that an electricity market participant shall not share records that are not available to the public relating to any past, current or future price and quantity offer made to the power pool or for the provision of ancillary services. Subsection 3(2) establishes instances where records that are not available to the public may be shared. Subsection 3(3) allows the Commission to issue an order permitting the sharing of records, stating:

(3) The Commission may, on application by a market participant that is otherwise prohibited from sharing records referred to under subsection (1), issue an order permitting the sharing of those records on any terms and conditions the Commission considers appropriate where the market participant establishes that

- (a) the records will not be used for any purpose that does not support the fair, efficient and openly competitive operation of the electricity market, including the conduct referred to in section 2, and
- (b) the sharing of the records is reasonably necessary for the market participant to carry out its business.

10. Another factor that the Commission considers in making a determination on the sharing of records is market share offer control. Subsection 5(5) of the *Fair, Efficient and Open Competition Regulation* states that a market participant shall not hold offer control in excess of 30 per cent of the total maximum capability of generating units in Alberta.

11. The Commission is also cognizant of the requirement in Section 6 of the *Electric Utilities Act* that "[m]arket participants are to conduct themselves in a manner that supports the fair, efficient and openly competitive operation of the market."

4 Submissions of the applicant

4.1 Is the proposed sharing of records reasonably necessary

12. In its application, WCSB identified that it has entered into commercial arrangements with URICA Real Time and URICA Optimization to share records for eReserve2 relating to the dispatch of electricity services. This will necessitate that WCSB and WCSB LP share offer information with URICA Real Time and URICA Optimization that is not available to the public.

13. WCSB explained that neither it nor WCSB LP has adequate personnel or the resources to accept energy or ancillary services dispatch orders, in order to manage the output of eReserve2 in the Alberta energy or ancillary services markets on a 24-hour basis

14. URICA Real Time has the necessary expertise and resources to assist WCSB by providing 24-hour real-time dispatch desk service for operational energy market services and energy restatements for events at generators as required by the independent system operator (ISO) rules.

15. URICA Optimization has the necessary expertise and resources to assist WCSB by helping it to establish and optimize offer strategies for eReserve2.

16. For these reasons, WCSB asserted that the sharing of non-public records relating to eReserve2 with URICA Real Time and URICA Optimization is reasonably necessary in order for it to carry out its business regarding eReserve2. A written representation from a senior officer of WCSB attesting to the necessity for the sharing of records with URICA Real Time and URICA Optimization was filed with the application.

4.2 Fair, efficient and openly competitive operation of the electricity market

17. As part of its application, WCSB filed a written representation from a senior officer of WCSB indicating that the records subject to preferential information sharing will not be used for any purpose that does not support the fair, efficient and openly competitive operation of the Alberta electricity market, including but not limited to, the conduct referred to in Section 2 of the *Fair, Efficient and Open Competition Regulation*.

18. The aforementioned written representation also identified that WCSB and WCSB LP have a code of conduct in place to safeguard confidential and commercially sensitive information and access to such information, including non-public quantity-offer information and the confidential information of companies with which WCSB does business. All of its employees and affiliated companies must comply with this code. Further, any confidential information held by WCSB will be distributed and made available only to those who are both authorized and required to use the information.

19. Written representations from senior officers of URICA Real Time and URICA Optimization were filed with the application, which confirm that any records shared with URICA Real Time and URICA Optimization will not be used for any purpose that does not support the fair, efficient and openly competitive operation of the Alberta electricity market,

including but not limited to, the conduct referred to in Section 2 of the *Fair, Efficient and Open Competition Regulation*.

20. The senior officers of URICA Real Time and URICA Optimization confirmed that URICA Real Time and URICA Optimization have a formal *Code of Conduct Regulation* compliance plan and program in place to safeguard confidential and commercially sensitive information and access to such information, including non-public quantity-offer information and the confidential information of companies with which URICA Real Time and URICA Optimization do business. All of URICA Real Time and URICA Optimization's employees, officers and affiliates are required to acknowledge and comply with the compliance plan and the *Fair, Efficient and Open Competition Regulation*. Access to secured information is strictly controlled and monitored.

4.3 Offer control

21. WCSB advised that WCSB and WCSB LP's total offer control is 0.6 per cent, that URICA Real Time's total offer control is zero per cent, and that URICA Optimization's total offer control is 1.0 per cent, all of which are less than the offer-control limit of 30 per cent, as set out in Subsection 5(5) of the *Fair, Efficient and Open Competition Regulation*.

5 Commission findings

22. Subsection 3(3) of the *Fair, Efficient and Open Competition Regulation* authorizes the Commission to issue an order permitting the sharing of records on any terms and conditions that the Commission considers appropriate, provided that certain requirements are satisfied. For the reasons that follow, the Commission finds that those requirements have been met.

23. The Commission is satisfied that WCSB has demonstrated that (i) the sharing of records is reasonably necessary for WCSB to carry out its business; and (ii) the subject records will not be used for any purpose that does not support the fair, efficient and openly competitive operation of the Alberta electricity market, including the conduct referred to in Section 2 of the *Fair, Efficient and Open Competition Regulation*. The Commission is further satisfied that WCSB, WCSB LP, URICA Real Time and URICA Optimization will conduct themselves in a manner that supports the fair, efficient and openly competitive operation of the market. In making these findings, the Commission has relied on:

- (a) Submissions from WCSB stating that neither it nor WCSB LP has adequate personnel or the resources required to monitor facility operations on a 24-hour basis, nor is the plant of sufficient size to justify the creation of a dedicated internal dispatch desk.
- (b) Written representations from senior officers of WCSB, URICA Real Time and URICA Optimization confirming that any records subject to preferential information sharing will not be used for any purpose that does not support the fair, efficient and openly competitive operation of the Alberta electricity market and that they will conduct themselves in a manner that supports the fair, efficient and openly competitive operation of the market.

- (c) Written representations from WCSB confirming that it has a formal system of controls and policies that ensure the information shared with URICA Real Time and URICA Optimization will not be used for any purpose that does not support the fair, efficient and openly competitive operation of the Alberta electricity market, including the conduct referred to in Section 2 of the *Fair, Efficient and Open Competition Regulation*. The Commission understands that all officers and employees of WCSB and WCSB LP are required to comply with these policies.
- (d) Representations from URICA Real Time and URICA Optimization that they have formal systems of controls and policies that ensure the information shared with URICA Real Time and URICA Optimization will not be used for any purpose that does not support the fair, efficient and openly competitive operation of the Alberta electricity market, including the conduct referred to in Section 2 of the *Fair, Efficient and Open Competition Regulation*. The Commission understands that all officers and employees of URICA Real Time and URICA Optimization are required to comply with these policies.

24. The Commission also finds that offer-control figures for all entities involved (both before and after any approval to share records) are less than the offer-control limit of 30 per cent, as set out in Subsection 5(5) of the *Fair, Efficient and Open Competition Regulation*.

25. Finally, the Commission considers the MSA's support of this application to be a contributing factor in its determination to permit the sharing of records, given the MSA's mandate under Subsection 39(2)(a)(vi) of the *Alberta Utilities Commission Act* to survey, investigate or enforce the "arrangements, information sharing and decisions relating to electricity market participants exchanging or wishing to exchange electric energy and ancillary services or any aspect of those activities."

26. For all of the above reasons, the Commission is prepared to issue an order allowing WCSB and WCSB LP to share records not available to the public with URICA Real Time and URICA Optimization, subject to the following terms and conditions:

- (a) The order applies to the sharing of non-public price, quantity and availability information, between WCSB, WCSB LP, URICA Real Time and URICA Optimization, pertaining to eReserve2, that may relate to eReserve2's participation in the Alberta electricity and ancillary services markets, as described in the application.
- (b) WCSB, WCSB LP, URICA Real Time and URICA Optimization must notify the Commission of the termination of the commercial arrangements between WCSB, WCSB LP, URICA Real Time and URICA Optimization as soon as is practicable and within 30 days of the termination of such commercial arrangements;
- (c) WCSB, WCSB LP, URICA Real Time, and URICA Optimization must notify the Commission of any material changes to the information and continued applicability of any representations included within its application that may affect the compliance of WCSB, WCSB LP, URICA Real Time or URICA Optimization with the *Fair, Efficient*

and Open Competition Regulation as soon as is practicable and within 30 days of the material changes.

27. The order shall be effective from the date of this decision until the earlier of June 1, 2029, or the termination of commercial arrangements between WCSB, WCSB LP, URICA Real Time and URICA Optimization.

6 Order

28. Pursuant to the provisions of Section 3 of the *Fair, Efficient and Open Competition Regulation*, the Commission grants the application for the sharing of records set out in the following order granted to WCSB Power Holdings GP Ltd., WCSB Power Holdings Limited Partnership, URICA Energy Real Time Ltd. and URICA Asset Optimization Ltd., which is a separate disposition in this proceeding:

- Preferential Sharing of Records – eReserve2 Battery Energy Storage Power Plant – Order 26507-D02-2021 – May 26, 2021

Dated on May 26, 2021.

Alberta Utilities Commission

(original signed by)

Fino Tiberi
Executive Director, Market Oversight and Enforcement
On behalf of the Alberta Utilities Commission