



AUC

Alberta Utilities Commission

Pembina Pipeline Corporation

**Application for an Order Permitting the
Sharing of Records Not Available to the Public
Between Pembina Pipeline Corporation
and URICA Energy Real Time Ltd.**

September 15, 2021

Alberta Utilities Commission

Decision 26810-D01-2021

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Proceeding 26810

Application 26810-A001

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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 Pembina Pipeline Corporation for the preferential sharing of records that are not available to the public between Pembina and URICA Energy Real Time Ltd.

2. As discussed in greater detail below, Pembina 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 (MSA), the Commission has granted the application to permit the sharing of records pertaining to the ancillary services market under Subsection 3(3) of the *Fair, Efficient and Open Competition Regulation*.

2 Introduction and procedural background

3. On August 26, 2021, Pembina 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 Pembina and URICA, relating to Pembina's pump stations in northwest Alberta, which have the capability to provide up to 15 megawatts (MW) of supplemental operating reserves. In their capacity to provide supplemental reserves, these pump stations operate under the Alberta Electric System Operator asset ID PPNW (Pembina pump stations). As part of its application, Pembina requested that the Commission issue the order by September 30, 2021.

4. In its application, Pembina indicated that it has entered into commercial arrangements with URICA, which, among other things, appoint URICA as an agent of Pembina to provide operational ancillary market services and restatements for events at the Pembina pump stations. These arrangements will make it necessary for Pembina and URICA to share with each other certain records that are not otherwise available to the public, including information regarding the provision of ancillary services such as the costs associated with use of the Pembina pump stations and the estimated load volumes for the following day. The agreement between the

¹ Application 26810-A001.

companies is for services to be provided until the earlier of June 1, 2029, or the termination of the commercial arrangements.

5. The AUC issued notice of the application on August 31, 2021. In the notice, the Commission advised that the parties granted standing in the proceeding were limited to Pembina and the MSA, in accordance with Subsection 3(5) of the *Fair, Efficient and Open Competition Regulation*.

6. On September 2, 2021, the MSA advised the Commission that it supports the application of Pembina and does not require further evidentiary process.

7. The Commission considers the record for this proceeding closed as of September 2, 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 offers 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. Because Pembina has not allocated the personnel or internal resources required to monitor the Pembina pump stations’ facility operations on a 24-hour basis, and in order to fully optimize load assets for the provision of ancillary services, Pembina stated in its application that it has determined outsourcing these services would be more efficient and cost-effective

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

14. For these reasons, Pembina asserted that the sharing of non-public records relating to the Pembina pump stations is reasonably necessary in order for it to carry out its business regarding these pump stations’ capacity as supplemental reserves. A written representation from a senior officer of Pembina attesting to the necessity for the sharing of records with URICA was filed with the application.

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

15. As part of the application, Pembina filed a written representation from a senior officer of Pembina 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*.

16. The senior officer’s written representations also identified that Pembina has a formal system of controls and policies which ensure that the information shared with URICA will be handled appropriately, including adherence to Section 2 of the *Fair, Efficient and Open Competition Regulation*.

17. Additionally, the written representation confirmed that Pembina has policies to safeguard information and access to information that is confidential and commercially sensitive, including non-public offer information and the confidential information of companies with which Pembina does business.

18. A written representation from a senior officer of URICA was filed with the application, which confirms that any records shared with URICA 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*.

19. The senior officer of URICA confirmed that URICA has a formal 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 does business. All of URICA'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

20. Pembina advised that Pembina's total offer control is 0.3 per cent, and that URICA's offer control is zero per cent, both 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

21. 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.

22. The Commission is satisfied that Pembina has demonstrated that (i) the extension of the existing records sharing order is reasonably necessary for Pembina 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 Pembina and URICA 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 Pembina stating that it has not allocated the personnel or internal resources required to monitor the Pembina pump stations' facility operations on a 24-hour basis.
- (b) Written representations from senior officers of Pembina and URICA 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 Pembina confirming that it has formal systems of controls and policies that ensure the information shared with Pembina 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 Pembina are required to comply with these policies.
- (d) Written representations from URICA that it has a formal system of controls and policies that ensure the information shared with URICA 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 are required to comply with these policies.

23. 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*.

24. 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."

25. For all of the above reasons, the Commission is prepared to issue an order extending the term of Pembina and URICA's existing order allowing them to share records not available to the public, subject to the following terms and conditions:

- (a) The order applies to the sharing of non-public price, quantity and availability information, between Pembina and URICA, pertaining to the Pembina pump stations, that may relate to the assets' participation in the Alberta ancillary services market, as described in the application.
- (b) Pembina and URICA must notify the Commission of the termination of the commercial arrangements between Pembina and URICA as soon as is practicable and within 30 days of the termination of such commercial arrangements;
- (c) Pembina and URICA 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 Pembina or URICA with the *Fair, Efficient and Open Competition Regulation* as soon as is practicable and within 30 days of the material changes.

26. 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 Pembina and URICA.

6 Order

27. 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 Pembina Pipeline Corporation and URICA Energy Real Time Ltd., which is a separate disposition in this proceeding:

- (1) Preferential Sharing of Records – Pembina Pump Stations –
Order 26810-D02-2021 – September 15, 2021

Dated on September XX, 2021.

Alberta Utilities Commission

(original signed by)

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