



Cascade Power GP Ltd.

**Application for an Order Permitting the Sharing
of Records Not Available to the Public
Regarding the Cascade Power Plant**

October 4, 2022

Alberta Utilities Commission

Decision 27629-D01-2022

Cascade Power GP Ltd.

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of Records Not Available to the Public

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Proceeding 27629

Application 27629-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 Cascade Power GP Ltd. (Cascade Power) for the preferential sharing of records that are not available to the public between Cascade Power, Cascade Power Project Limited Partnership (Cascade LP), Kinetikor Resource Corp. (Kinetikor Resource), Kinetikor Asset Management LP (Kinetikor Asset), URICA Energy Real Time Ltd. (URICA Real Time) and URICA Asset Optimization Ltd.

2. As discussed in greater detail below, Cascade Power 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 Alberta energy market under Section 3(3) of the *Fair, Efficient and Open Competition Regulation*.

2 Introduction and procedural background

3. On September 8, 2022, Cascade Power filed an application¹ with the AUC pursuant to Section 3 of the *Fair, Efficient and Open Competition Regulation*. The application seeks an order from the Commission permitting the sharing of records not available to the public between Cascade Power, Cascade LP, Kinetikor Resource, Kinetikor Asset, URICA Real Time, and URICA Asset Optimization. The requested order relates to the Cascade Power Plant (asset IDs CAS1 and CAS2), which is located near the town of Edson and consists of two Siemens SGT6-8000H gas turbines and two steam generators, for a total generating capability of 900 megawatts.

4. Kinetikor Resource is the asset manager for Cascade Power, and Kinetikor Asset serves as an advisor for Cascade Power.

5. In its application, Cascade Power indicated that it has also entered into commercial arrangements with URICA Real Time, which, among other things, appoints URICA Real Time as an agent of Cascade Power to provide 24-hour real-time dispatch-desk service for operational energy market services and energy restatements for events at the Cascade Power Plant.

¹ Application 27629-A001.

Cascade Power has also entered into commercial arrangements with URICA Asset Optimization, an organization that works with clients to establish and optimize offer strategies. These arrangements will make it necessary for Cascade Power, Cascade LP, Kineticor Resource, Kineticor Asset, URICA Real Time, and URICA Asset Optimization to share with each other certain records that are not otherwise available to the public, including energy price, volume pairs and available capability. The agreement between the companies is for services to be provided until the earlier of June 1, 2029, or the termination of the commercial arrangements.

6. The AUC issued a notice of the application on September 14, 2022. In the notice, the Commission advised that the parties granted standing in the proceeding were limited to Cascade Power and the MSA, in accordance with Section 3(5) of the *Fair, Efficient and Open Competition Regulation*.

7. On September 23, 2022, the MSA advised the Commission that it supports the application of Cascade Power and does not require further evidentiary process.

8. The Commission considers the record for this proceeding closed as of September 23, 2022.

9. The Commission reviewed the entire record for this proceeding in coming to this decision; lack of reference to a matter addressed in evidence or argument does not mean that it was not considered.

3 The Commission's authority to allow record sharing

10. Section 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. Section 3(2) establishes instances where records that are not available to the public may be shared. Section 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.

11. Another factor that the Commission considers in making a determination on the sharing of records is market share offer control. Section 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.

12. 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

13. Cascade Power, Cascade LP, Kinetikor Resource, Kinetikor Asset and their affiliates do not have an internal 24-hour real-time dispatch desk in order to address events at power producers as required by the independent system operator (ISO) rules. URICA Real Time provides this dispatch-desk service to clients for operational energy market services, ancillary services, dispatch-down services and energy restatements for events at generators as required by the ISO rules and has the necessary expertise and resources to assist Cascade Power.

14. URICA Asset Optimization has the necessary expertise and resources to assist Cascade Power, Cascade LP, Kinetikor Resource and Kinetikor Asset by helping them to establish and optimize offer strategies for the Cascade Power Plant.

15. For this reason, Cascade Power asserted that the sharing of non-public records relating to Cascade Power Plant is reasonably necessary in order for it to carry out its business regarding the Cascade Power Plant. Written representations from senior officers of Cascade Power, Cascade LP, Kinetikor Resource and Kinetikor Asset, attesting to the necessity for the sharing of records with URICA Real Time and URICA Asset Optimization, were filed with the application.

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

16. As part of the application, a written representation from a senior officer of Cascade Power, Cascade LP, Kinetikor Resource and Kinetikor Asset were filed 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*.

17. Additionally, the written representation from the senior officer confirmed that all companies have in place a *Code of Ethics* which requires all directors, officers, employees, consultants and contractors of the companies to comply with the law and relevant rules and regulations, including the protection of confidentiality of information.

18. A written representation from a senior officer of URICA Real Time and URICA Asset Optimization was filed with the application, which confirm that any records shared with URICA Real Time and URICA Asset 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*. The senior officer confirmed that the companies both have 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 Real Time and URICA Asset

Optimization do business. All of URICA Real Time and URICA Asset Optimization's employees, officers and affiliates are required to acknowledge and comply with the compliance plan and program and with the *Fair, Efficient and Open Competition Regulation*. Access to secured information is strictly controlled and monitored.

4.3 Offer control

19. Cascade Power advised that the total offer control of Cascade Power, Cascade LP, Kinetikor Resource, Kinetikor Asset, and their affiliated companies is 5.6 per cent, that the total offer control of URICA Real Time is zero per cent, and that the total offer control of URICA Asset Optimization is 2.0 per cent, all of which are less than the offer-control limit of 30 per cent, as set out in Section 5(5) of the *Fair, Efficient and Open Competition Regulation*.

5 Commission findings

20. Section 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.

21. The Commission is satisfied that Cascade Power has demonstrated that (i) the sharing of records with URICA Real Time and URICA Asset Optimization is reasonably necessary for Cascade Power 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 Cascade Power, Cascade LP, Kinetikor Resource, Kinetikor Asset, URICA Real Time and URICA Asset 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 Cascade Power stating that it does not have an internal 24-hour real-time dispatch desk in order to address events at power producers as required by the ISO rules.
- (b) Written representations from senior officers of Cascade Power, Cascade LP, Kinetikor Resource, Kinetikor Asset, URICA Real Time and URICA Asset 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 operation of the markets.
- (c) Written representations from Cascade Power, Cascade LP, Kinetikor Resource and Kinetikor Asset confirming that they have formal policies that ensure the information shared with Cascade Power, Cascade LP, Kinetikor Resource and Kinetikor Asset 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 employees and others conducting business on behalf of Cascade Power, Cascade LP, Kinetikor Resource and Kinetikor Asset are required to comply with these policies.

- (d) Written representations from URICA Real Time and URICA Asset Optimization stating 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 Real Time and URICA Asset Optimization are required to comply with these policies.

22. 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 Section 5(5) of the *Fair, Efficient and Open Competition Regulation*.

23. 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 Section 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."

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

- (a) The order applies to the sharing of non-public price, quantity and availability information, between Cascade Power GP Ltd., Cascade Power Project Limited Partnership, Kinetikor Resource Corp., Kinetikor Asset Management LP, URICA Energy Real Time Ltd., and URICA Asset Optimization Ltd. pertaining to the Cascade Power Plant, that may relate to the Cascade Power Plant's participation in the Alberta energy market, as described in the application.
- (b) Cascade Power GP Ltd., Cascade Power Project Limited Partnership, Kinetikor Resource Corp., Kinetikor Asset Management LP, URICA Energy Real Time Ltd., and URICA Asset Optimization Ltd. must notify the Commission of the termination of the commercial arrangements between Cascade Power GP Ltd., Cascade Power Project Limited Partnership, Kinetikor Resource Corp., Kinetikor Asset Management LP, URICA Energy Real Time Ltd., and URICA Asset Optimization Ltd. as soon as is practicable and within 30 days of the termination of such commercial arrangements.
- (c) Cascade Power GP Ltd., Cascade Power Project Limited Partnership, Kinetikor Resource Corp., Kinetikor Asset Management LP, URICA Energy Real Time Ltd., and URICA Asset Optimization Ltd. must notify the Commission of any material changes to the information and continued applicability of any representations included within this application that may affect the compliance of Cascade Power GP Ltd.,

Cascade Power Project Limited Partnership, Kinetikor Resource Corp., Kinetikor Asset Management LP, URICA Energy Real Time Ltd., or URICA Asset Optimization Ltd. with the *Fair, Efficient and Open Competition Regulation* as soon as is practicable and within 30 days of the material changes.

25. 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 Cascade Power GP Ltd., Cascade Power Project Limited Partnership, Kinetikor Resource Corp., Kinetikor Asset Management LP, URICA Energy Real Time Ltd., and URICA Asset Optimization Ltd.

6 Order

26. 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 as set out in the following order granted to Cascade Power GP Ltd., Cascade Power Project Limited Partnership, Kinetikor Resource Corp., Kinetikor Asset Management LP, URICA Energy Real Time Ltd., and URICA Asset Optimization Ltd., which is a separate disposition in this proceeding:

- (1) Preferential Sharing of Records – Cascade Power Plant –
Order 27629-D02-2022

Dated on October 4, 2022.

Alberta Utilities Commission

(original signed by)

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