



## **Alberta Electric System Operator**

### **Updates to Rate Demand Opportunity Service**

**July 31, 2024**

**Alberta Utilities Commission**

Decision 28989-D01-2024

Alberta Electric System Operator

Updates to Rate Demand Opportunity Service

Proceeding 28989

July 31, 2024

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The Commission may, no later than 60 days from 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.

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## 1 Decision summary

1. This decision provides the Alberta Utilities Commission’s determinations regarding the Alberta Electric System Operator’s (AESO) application to update Rate DOS (demand opportunity service). The Commission approves the AESO’s application as filed, with reasons to follow.

## 2 Background

2. The AESO applied to update Rate DOS of the Independent System Operator (ISO) tariff in accordance with sections 30 and 119 of the *Electric Utilities Act*. The AESO stated that its requested changes to Rate DOS would lower barriers for emerging technologies and increase transmission revenue, such that Rate DTS (demand transmission service) can be offset to a greater degree. The specific changes requested were as follows:

- Remove the limitation that Rate DOS is only available on a temporary or repeated short-term basis, meaning that energy storage resources and other technologies will not be precluded from accessing Rate DOS.
- Consolidate “DOS 7 Minute” service and “DOS 1 Hour” service into a single type of Rate DOS named “DOS Dispatchable” with a 20 per cent contribution towards fixed system costs.
- Increase the qualification period for Rate DOS from one year to five years.
- Implement changes to make the administration of Rate DOS more efficient, including replacing faxed transaction requests with the ability to bid into the energy market.

3. The Commission conducted a *minimal written process*<sup>1</sup> to consider the application. Seventeen parties filed statements of intent to participate in the proceeding. The Commission established a process that involved one round of information requests to the AESO, followed by oral argument and reply argument.<sup>2</sup> On the request of the AESO, the Commission amended the process schedule to accommodate a technical session focused on the qualification requirements and process for updated Rate DOS. Following the technical session and receipt of information responses, the Commission determined that it had sufficient information to assess the application without requiring the provision of intervener evidence.

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<sup>1</sup> Bulletin 2015-09, Performance standards for processing rate-related applications, March 26, 2015.

<sup>2</sup> The Commission, in exhibits 28989-X0098 and 28989-X0120, permitted Suncor Energy Inc. and Northland Power Inc. to file written argument. Both parties waived their ability to provide reply argument.

4. Having reviewed the application and information responses, and having considered the oral argument and reply submissions of all parties, the Commission has decided to approve the requested updates to Rate DOS. The Commission considers that approving the updates to Rate DOS results in a tariff that is just and reasonable, and that is not unduly preferential, arbitrarily or unjustly discriminatory or inconsistent with or in contravention of the *Electric Utilities Act* or any other enactment or any law.

5. The AESO requested that, should the Commission approve its application, the updates to Rate DOS become effective six months after approval. This six-month period will provide the AESO with time to adjust its systems and processes.

6. The AESO confirmed that the bulk and regional tariff proceeding will provide an opportunity to update and test Rate DOS, including the assessment of the qualification requirements and contribution towards fixed costs. The bulk and regional tariff application must be filed on or before January 31, 2027.<sup>3</sup> The Commission considers that when the bulk and regional tariff application is brought before the Commission, it will benefit all parties to have the most complete information possible on matters such as the uptake of Rate DOS and the effectiveness of the AESO's monitoring and audit program. On that basis, the Commission is approving the application with reasons to follow, to provide the AESO with as much lead time as possible to implement the updated Rate DOS in advance of its forthcoming bulk and regional tariff application.

### **3 Decision and order**

7. The Commission approves the AESO's application as filed, with reasons to follow. It is hereby ordered that the AESO make the necessary changes to implement its applied-for updates to Rate DOS as soon as practicable and within six months of the date of this decision, at which time:

- (1) The AESO is directed to implement the changes to the Rate DOS terms and conditions as set out in Appendix A to the AESO's application.
- (2) The AESO is directed to implement the changes to the Rate DOS rate sheet as set out in Appendix B to the AESO's application.
- (3) The AESO is directed to implement the changes to the Consolidated Authoritative Document Glossary as set out in Appendix C to the AESO's application.
- (4) Appendix A of the ISO tariff is amended to remove the Rate DOS pro forma application form.

Dated on July 31, 2024.

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<sup>3</sup> Exhibit 28989-X0039, AUC letter - Ruling on AESO request for extension and process letter.

**Alberta Utilities Commission**

*(original signed by)*

Carolyn Dahl Rees  
Chair

*(original signed by)*

Kristi Sebalj  
Vice-Chair

**Appendix 1 – Proceeding participants**

| <b>Name of organization (abbreviation)<br/>Company name of counsel or representative</b> |
|--|
| Alberta Electric System Operator (AESO)<br>Norton Rose Fulbright                         |
| Industrial Power Consumers Association of Alberta  |
| Office of the Utilities Consumer Advocate  |
| Alberta Direct Connect Consumers Association<br>Carmal Energy Advisors Inc.              |
| Canadian Renewable Energy Association  |
| Enfinite Corporation   |
| Energy Storage Canada  |
| Northland Power Inc.<br>Depal Consulting Limited   |
| Suncor Energy Inc. (Suncor)  |
| Consumers' Coalition of Alberta (CCA)  |
| ENMAX Corporation  |
| ATCO Renewables Ltd.   |
| Evolugen by Brookfield Renewable   |
| Enoch Cree Nation  |
| AltaLink Management Ltd.<br>Borden Ladner Gervais LLP                                    |
| ATCO Electric Ltd.   |

|   |
|---|
| <p><b>Name of organization (abbreviation)</b><br/> <b>Company name of counsel or representative</b></p> |
| <p>TransCanada Energy Ltd.</p>  |
| <p>Peace River Pulp<br/>                 Carmal Energy Advisors Inc.</p>                                |

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| <p>Alberta Utilities Commission</p> <p>Commission panel<br/>                 C. Dahl Rees, Chair<br/>                 K. Sebalj, Vice-Chair</p> <p>Commission staff<br/>                 M. Anderson (Commission counsel)<br/>                 M. Parent (Commission counsel)<br/>                 C. Strasser<br/>                 A. Starkov<br/>                 R. Cassidy<br/>                 C. Fuchshuber<br/>                 M. Khan</p> |
|--|



**Appendix 2 – Oral hearing – registered appearances**

| <b>Name of organization (abbreviation)<br/>Name of counsel or representative</b>                            |
|---|
| Alberta Electric System Operator (AESO)<br>M. Keen, Norton Rose Fulbright<br>J. Tomm, Norton Rose Fulbright |
| Alberta Direct Connect Consumer Association<br>C. Chekerda, Carmal Energy Advisors Inc.                     |
| Mercer Peace River Pulp<br>C. Chekerda, Carmal Energy Advisors Inc.   |
| AltaLink Management Ltd.<br>J. Liteplo, Borden Ladner Gervais LLP   |
| ATCO Electric Ltd.<br>B. Hunter   |
| Canadian Renewable Energy Association<br>V. Bellissimo  |
| Consumers' Coalition of Alberta<br>J. Wachowich, KC   |
| ENMAX Corporation<br>K. McGlone   |
| Energy Storage Canada<br>R. Tremblay  |
| Office of the Utilities Consumer Advocate<br>R. Stout   |

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|--|
| <p>Alberta Utilities Commission</p> <p>Commission panel<br/>C. Dahl Rees, Chair<br/>K. Sebalj, Vice-Chair</p> <p>Commission staff<br/>M. Anderson (Commission counsel)<br/>M. Parent (Commission counsel)<br/>C. Strasser<br/>A. Starkov</p> |
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**Appendix 3 – Summary of Commission directions**

This section is provided for the convenience of readers. In the event of any difference between the directions in this section and those in the main body of the decision, the wording in the main body of the decision shall prevail.

1. The Commission approves the AESO’s application as filed, with reasons to follow. It is hereby ordered that the AESO make the necessary changes to implement its applied-for updates to Rate DOS as soon as practicable and within six months of the date of this decision, at which time:

- (1) The AESO is directed to implement the changes to the Rate DOS terms and conditions as set out in Appendix A to the AESO’s application.
- (2) The AESO is directed to implement the changes to the Rate DOS rate sheet as set out in Appendix B to the AESO’s application.
- (3) The AESO is directed to implement the changes to the Consolidated Authoritative Document Glossary as set out in Appendix C to the AESO’s application.
- (4) Appendix A of the ISO tariff is amended to remove the Rate DOS pro forma application form.

.....paragraph 7