AUC
Alberta Utilities Commission

Alberta Electric System Operator

Tariff Amendment Application for Generating Unit Owner's Contribution

October 17, 2025

Alberta Utilities Commission
Decision 30313-D01-2025
Alberta Electric System Operator
Tariff Amendment Application for Generating Unit Owner's Contribution
Proceeding 30313

October 17, 2025

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, 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.

Contents

1 Decision summary 1

2 Introduction 1

3 Background 1

4 Are the AESO's GUOC revisions to subsections 7.4(1) and 7.4(2) reasonable? 2

5 Order 3

Appendix 1 – Proceeding participants 4

Appendix 2 – ISO tariff Section 7 5

1 Decision summary

1. In this decision, the Alberta Utilities Commission approves the Alberta Electric System Operator's (AESO) application for amendments to update Section 7 of the Independent System Operator (ISO) tariff, for the reasons stated below.

2 Introduction

2. On September 17, 2025, the AESO filed an application,[1] pursuant to sections 30 and 119 of the *Electric Utilities Act*, requesting approval of an update to Section 7, which concerns the terms and conditions applicable to the generating unit owner's contribution (GUOC) of the ISO tariff. The AESO requested that the Commission approve this revision to Section 7 to clarify the alignment between the timing for the provision of GUOC evidence[2] and the payment of the GUOC under the AESO's connection process[3] and the corresponding timelines set out in Section 7 of the ISO tariff.

3. The Commission issued a notice of application on September 19, 2025, which required parties to provide a statement of intent to participate by September 29, 2025. No statements of intent to participate were filed in response to the Commission's notice.

4. The Commission considers the record of this proceeding to have closed on September 29, 2025.

3 Background

5. The GUOC is a refundable payment made by the owner of a generating unit or aggregated generation facility (GFO) to the AESO. The purpose of the GUOC is to provide a long-term siting signal to generators to site in areas that would be most beneficial to load.[4] The GUOC must be paid before commencement of construction of the facilities required to connect a generating unit or aggregated generation facility, and is refundable to the owner subject to the

[1] Exhibit 30313-X0002, application.

[2] In accordance with subsection 3.6(8) of the ISO tariff, the market participant must provide the AESO with evidence satisfactory to the AESO that the GFO has sufficient funds available to pay the GUOC for the project. For the purposes of this requirement, the AESO will accept financial security provided by the GFO or the market participant on behalf of the GFO that meets the requirements of section 103.3 of the ISO rules, Financial Security Requirements.

[3] The AESO's connection process is described on the AESO's website and outlined in Information Document, 2018-018T, Provision of System Access Service and the AESO Connection Process.

[4] https://www.aeso.ca/assets/GUOC-Rates-and-Yearly-Updates-Process.pdf

satisfactory operation of the generating unit determined under Section 505.2 of the ISO rules, *Performance Criteria for Refund of Generating Unit Owner's Contribution.*

6. As the sole provider of access to the transmission system in Alberta, the AESO follows its connection process to respond to system access service requests (SASRs). The AESO recently launched a stakeholder engagement process to streamline its connection process to make it more efficient, and a new approach called a cluster assessment process was launched for processing SASRs in 2023. Under the cluster assessment process, the AESO evaluates SASRs by grouping (or clustering) generation and energy storage projects, and assessing them collectively rather than individually to improve efficiency and co-ordination.[5]

7. Based on stakeholder feedback during the streamlining initiative of the connection process, and using its discretion, the AESO adjusted certain timelines in the connection process related to the provision of GUOC evidence and the payment of the GUOC, which it discussed throughout numerous stakeholder sessions and presentations.[6]

8. The AESO advised that it is not clear to some market participants on how subsections 7.4(1) and 7.4(2)(a) of the ISO tariff work together with the AESO's authority under the *Transmission Regulation* to create the deadlines in its connection process for the provision of GUOC evidence and the payment of GUOC.[7] As a result, the AESO proposed revisions to the ISO tariff.

9. The revisions to the ISO tariff are listed in Appendix 2 of this decision.

4 Are the AESO's GUOC revisions to subsections 7.4(1) and 7.4(2) reasonable?

10. The AESO proposed the first amendment to subsection 7.4(1) of the ISO tariff as follows:[8]

> **7.4(1)** For a connection project that requires a new or amended **needs approval**, the owner of a generating facility must, in accordance with the AESO connection process set out on the AESO website but not later than the time of executing a System Access Service Agreement in accordance with subsection 3.6(1) of the **ISO tariff**, *System Access Service Requests*, provide the **ISO** with evidence satisfactory to the **ISO** that the owner of the generating facility has sufficient funds available to pay any contribution for a generating facility. For purposes of the foregoing, evidence acceptable to the **ISO** includes **financial security** that meets the requirements of Section 103.3 of the **ISO rules**, *Financial Security Requirements.*

11. The AESO proposed the second amendment to subsection 7.4(2)(a) of the ISO tariff as follows:[9]

[5] Exhibit 30313-X0002, application, paragraph 6.
[6] Exhibit 30313-X0002, application, paragraph 7.
[7] Exhibit 30313-X0002, application, paragraph 17.
[8] Exhibit 30313-X0004, Appendix A2 – Blackline Section 7, PDF page 4.
[9] Exhibit 30313-X0004, Appendix A2 – Blackline Section 7, PDF page 4.

> **7.4(2)** The owner of a generating facility must pay the owner's contribution for a generating facility in full to the **ISO** by way of electronic funds transfer or wire transfer to a bank account the **ISO** specifies:
>
> (a) for generating facilities for which a new or amended *System Access Agreement* under Rate STS is required, in accordance with the AESO connection process set out on the AESO website but not later than 30 days after the *System Access Service Agreement* for Rate STS becomes effective pursuant to subsections 3.7(1) or 3.7(4) of Section 3 of the **ISO tariff**, *System Access Service Requests*;

12. The Commission is satisfied with the evidence that the AESO has been proactively communicating with market participants regarding the payment deadlines for the provision of GUOC evidence and the payment of GUOC. Specifically, the AESO listed the materials that were posted to the AESO website, the number of individual communication and the stakeholder sessions that were conducted with market participants.[10]

13. As these are minor drafting changes required by the AESO to provide additional clarity to market participants, and no parties raised concerns, the Commission is satisfied that these revisions are meant to (i) align the timing for the submission of GUOC evidence under the ISO tariff with the timing specified in the AESO's connection process; and (ii) align the timing for GUOC payment under the ISO tariff for behind-the-fence projects with the timing specified under the AESO's connection process. The Commission is satisfied with the AESO's application and approves these revisions as filed.

5 Order

14. It is hereby ordered that:

(1) The Alberta Electric System Operator's application to amend Section 7 of the Independent System Operator tariff is approved.

Dated on October 17, 2025.

Alberta Utilities Commission

(original signed by)

Carolyn Dahl Rees
Chair

[10] Exhibit 30313-X0002, application, paragraphs 15-16 and 23.

Appendix 1 – Proceeding participants

Alberta Utilities Commission

Commission panel
C. Dahl Rees, Chair

Commission staff
P. Baker

Appendix 2 – ISO tariff Section 7

(return to text)

Appendix 2 - ISO tariff Section 7

(consists of 6 pages)

ISO Tariff – Section 7
Generating Unit Owner's Contribution

Applicability

7.1 This section of the **ISO tariff** applies to the owner (as that term is defined in the **Act**) of a generating facility, being a **generating unit** or an **aggregated generating facility**:

(a) with a **maximum capability** that is or will be greater than 1 MW;

(b) that is or will be connected to the **transmission system** or an **electric distribution system** on or after January 1, 2006; and

(c) for which revenue metering equipment to measure hourly **metered energy** has been installed.

Determination of Owner's Contribution

7.2(1) The **ISO** must calculate an owner's contribution for a generating facility:

(a) for a connection project that requires new or amended **needs approval**, in accordance with the owner's contribution rates and **ISO tariff** in effect on the date that evidence of ability to pay the contribution for a generating facility is provided to the **ISO** in accordance with subsection 7.4(1) below; or

(b) for a connection project that does not require new or amended **needs approval**, in accordance with the owner's contribution rates and **ISO tariff** in effect on the date that the owner's contribution for a generating facility is paid in accordance with subsection 7.4(2) below.

7.2(2) The **ISO** must calculate an owner's contribution for a generating facility as:

(a) the **maximum capability** of the generating facility;

multiplied by

(b) the owner's contribution rate (i.e., Column B, in subsection 7.3 below) for the area of the **transmission system** where the generating facility will be located (i.e., Column A, in subsection 7.3 below).

Owner's Contribution Rates

7.3(1) An owner's contribution rates for the area of the **transmission system** where the generating facility will be located are as follows:

Column A	Column B
Planning Region	Contribution Rate
Northwest	$10,000 / MW
Northeast	$30,000 / MW
Edmonton	$20,000 / MW

ISO Tariff – Section 7
Generating Unit Owner's Contribution (continued)

Column A	Column B
Central	$40,000 / MW
Calgary	$30,000 / MW
South	$50,000 / MW

7.3(2) The planning regions are defined as follows:

Planning Region	Planning Region Description	Planning Area Number	Planning Area Name
Northwest	This region borders Fort McMurray and Athabasca to the east, Wabamun and Hinton/Edson to the south, British Columbia to the west and the Northwest Territories to the north.	17	Rainbow Lake
		18	High Level
		19	Peace River
		20	Grande Prairie
		21	High Prairie
		22	Grande Cache
		23	Valleyview
		24	Fox Creek
		26	Swan Hills
Northeast	This region borders High Level, Peace River, High Prairie, Swan Hills and Wabamun areas to the west, Edmonton, Fort Saskatchewan, Vegreville and Cold Lake areas to the south, Northwest Territories to the north and Saskatchewan to the east.	25	Fort McMurray
		27	Athabasca/ Lac La Biche
		33	Fort Saskatchewan.
Edmonton	This region borders Swan Hills, Athabasca and Fort Sask. areas to the north, Hinton and Dayton Valley to the west, Red Deer and Alliance to the south and Vegreville to the east.	31	Wetaskiwin
		40	Lake Wabamun
		60	Edmonton

ISO Tariff – Section 7
Generating Unit Owner's Contribution (continued)

Planning	Planning Region Description	Planning	Planning Area Name
Central	This region borders Grande Cache, Fox Creek, Swan Hills, Wabamun, Wetaskiwin, Fort Saskatchewan and Cold Lake to the north, British Columbia to the west, Saskatchewan to the east and Seebe, Airdrie, Strathmore, Sheerness and Empress to the south.	13	Lloydminster
		28	Cold Lake
		29	Hinton/Edson
		30	Drayton Valley
		32	Wainwright
		34	Abraham Lake
		35	Red Deer
		36	Alliance/Battle River
		37	Provost
		38	Caroline
		39	Didsbury
		42	Hanna
		56	Vegreville
Calgary	This region includes Calgary and Airdrie. This region borders Didsbury to the north, Seebe to the west, Strathmore to the south and High River and Hanna to the east.	6	Calgary
		57	Airdrie

ISO Tariff – Section 7
Generating Unit Owner's Contribution (continued)

Planning	Planning Region Description	Planning	Planning Area Name
South	This region borders Abraham Lake, Caroline, Didsbury, Hanna, Calgary and Airdrie to the north, Montana to the south, British Columbia to the west and Saskatchewan to the east.	4	Medicine Hat
		43	Sheerness
		44	Seebe
		45	Strathmore/Blackie
		46	High River
		47	Brooks
		48	Empress
		49	Stavely
		52	Vauxhall
		53	Fort MacLeod
		54	Lethbridge
		55	Glenwood

Evidence, Payment and Notification of Owner's Contribution

7.4(1) For a connection project that requires a new or amended **needs approval**, the owner of a generating facility must, in accordance with the AESO connection process set out on the AESO website but not later than the time of executing a *System Access Service Agreement* in accordance with subsection 3.6(1) of the **ISO tariff**, *System Access Service Requests*, provide the **ISO** with evidence satisfactory to the **ISO** that the owner of the generating facility has sufficient funds available to pay any contribution for a generating facility. For purposes of the foregoing, evidence acceptable to the **ISO** includes **financial security** that meets the requirements of section 103.3 of the **ISO rules**, *Financial Security Requirements*.

7.4(2) The owner of a generating facility must pay the owner's contribution for a generating facility in full to the **ISO** by way of electronic funds transfer or wire transfer to a bank account the **ISO** specifies:

(a) for generating facilities for which a new or amended *System Access Agreement* under Rate STS is required, in accordance with the AESO connection process set out on the AESO website but not later than 30 days after the *System Access Service Agreement* for Rate STS becomes effective pursuant to subsections 3.7(1) or 3.7(4) of Section 3 of the **ISO tariff**, *System Access Service Requests;*

(b) for generating facilities for which a new or amended *System Access Agreement* under Rate STS is not required, but for which a system access service request must be submitted pursuant to subsection 3.2(1) of the **ISO tariff**, *System Access Service Requests*, prior to completion of Stage 3/4 of the AESO's *Behind the fence* process; and

ISO Tariff – Section 7
Generating Unit Owner's Contribution (continued)

(c) for all other generating facilities, at least three (3) business days prior to the date of energization for the generating facility.

7.4(3) The **ISO** must provide reasonable notice to the owner of a generating facility to provide any evidence required under subsection 7.4(1) and any payment required under subsection 7.4(2).

7.4(4) For the purpose of calculating the refund of an owner's contribution for a generating facility under subsection 7.5 below, the **ISO** in the notice of payment required under subsection 7.4(3) must specify the energization date for the generating facility that the owner of the generating facility has provided to the **ISO** at the time of issuing the notice.

7.4(5) Where an amendment has been made to a *System Access Service Agreement* under Rate STS that has been executed but has not become effective in accordance with subsection 3.7 of Section 3 of the **ISO Tariff**, *System Access Service Requests*, the **ISO** must amend the energization date required under subsection 7.4(4) to align with the energization date provided to the **ISO** at the time of the amendment.

Refund of Owner's Contribution

7.5(1) The **ISO** must refund a contribution for a generating facility to the owner who originally paid it, or as otherwise directed by the owner who originally paid it, if the generating facility satisfies the **ISO rules** regarding satisfactory annual performance, in accordance with the provisions of this subsection 7.5.

7.5(2) The **ISO** must refund an owner's contribution for a generating facility in annual amounts during the refund period which begins on January 1 following the energization date specified in the notification for payment issued under subsection 7.4(3) and ends 9 calendar years later on December 31.

7.5(3) The **ISO** must calculate the annual amounts during the refund period as:

(a) 5.6% of the contribution for a generating facility, in each of the first through fourth calendar years in the refund period;

(b) 11.2% of the contribution for a generating facility, in the fifth calendar year in the refund period; and

(c) 16.6% of the contribution for a generating facility, in each of the sixth through ninth calendar years in the refund period.

7.5(4) The **ISO** must refund, as follows, an owner's contribution for a generating facility, for each calendar year during the refund period, the annual amount determined under subsection 7.5(3) above:

(a) in full if the generating facility completely satisfies the performance criteria established in section 505.2 of the **ISO rules**, *Performance Criteria for Refund of Generating Unit Owner's Contribution*, during that calendar year;

(b) reduced to zero dollars if the generating facility does not fully satisfy the performance criteria established in section 505.2 of the **ISO rules**, *Performance Criteria for Refund of Generating Unit Owner's Contribution*; or

ISO Tariff – Section 7
Generating Unit Owner's Contribution (continued)

(c) reduced to zero dollars if the generating facility has not energized before the start of the first calendar year following the energization date specified in the notification for payment issued under subsection 7.4(3) and before the start of the calendar years that follow.

7.5(5) The **ISO** must refund the amount of an owner's contribution for a generating facility determined in accordance with subsections 7.5(3) and (4) above by February 28 of the year following the calendar year to which the refund relates.

7.5(6) The **ISO** must refund the annual amounts without interest.

Adjustment of Refunds

7.6(1) The **ISO** must revise the refund of an annual amount without interest, in whole or in part, if the **ISO** determines that an error was made or that an inappropriate amount was refunded.

7.6(2) An owner must return a refund of an annual amount, in whole or in part, if the **ISO** determines that an error was made or that an inappropriate amount was refunded.

Revision History

Effective	Description
2025-XX-XX	
2025-01-01	Updated charges as approved in **Commission** Decision 29606-D01-2024 issued on December 18, 2024.
2024-01-01	Updated charges as approved in **Commission** Decision 28627-D01-2023 issued on December 15, 2023.
2023-09-01	Revised as applied for in the Alberta Electric System Operator ISO Tariff Compliance Filing Pursuant to Decision 27864-D01-2023, as approved in **Commission** Decision 28294-D01-2023 issued on July 20, 2023.
2023-01-01	Updated charges, as approved in **Commission** Decision 27777-D01-2022 issued on December 21, 2022.
2021-01-01	Revised and reformatted all subsections, as approved in **Commission** Decision 25175-D02-2020 issued on November 30, 2020.
2013-07-01	Updated subsections, as approved in **Commission** Decision 3473-D01-2015 issued on June 17, 2015.
2011-07-01	Revised and reformatted all subsections, as approved in **Commission** Decision 2011-275 issued on June 24, 2011.