



Province of Alberta

ELECTRIC UTILITIES ACT

Statutes of Alberta, 2003
Chapter E-5.1

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Office Consolidation

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Note

All persons making use of this consolidation are reminded that it has no legislative sanction, that amendments have been embodied for convenience of reference only. The official Statutes and Regulations should be consulted for all purposes of interpreting and applying the law.

Regulations

The following is a list of the regulations made under the *Electric Utilities Act* that are filed as Alberta Regulations under the Regulations Act

	Alta. Reg.	<i>Amendments</i>
Electric Utilities Act		
Balancing Pool	158/2003	191/2016, 196/2016, 160/2017
Billing Regulation, 2003	159/2003	288/2009, 224/2012, 60/2015
Capacity Market Repeal Regulation.....	140/2019	
City of Medicine Hat Payment in Lieu of Tax.....	235/2003	105/2005, 68/2008, 175/2008, 288/2009, 31/2012, 62/2013, 185/2013, 114/2018, 243/2018, 137/2019
Code of Conduct	58/2015	135/2018, 53/2019, 56/2019
Common Facilities Costs	161/2003	51/2013
Distribution Tariff.....	162/2003	6/2004, 254/2007, 224/2012, 11/2018
Fair, Efficient and Open Competition	159/2009	261/2018, 142/2019
Flare Gas Generation.....	163/2003	254/2007, 52/2013, 89/2013, 11/2018
Independent Power and Small Power Repeal	51/2019	

Isolated Generating Units and Customer Choice.....	165/2003	.....	274/2006, 254/2007, 53/2013, 11/2018
Liability Protection.....	66/2004	.....	221/2004, 254/2007, 60/2014, 7/2018, 114/2018
Micro-generation.....	27/2008	.....	233/2009, 288/2009, 234/2013, 203/2015, 218/2016, 140/2017, 135/2018
Municipal Own-use Generation	80/2009	.....	11/2018, 135/2018
Payment in Lieu of Tax.....	112/2003	.....	105/2005, 172/2006, 256/2007, 68/2008, 288/2009, 31/2012, 62/2013, 170/2017, 114/2018, 243/2018, 138/2019
Power Purchase Arrangements.....	167/2003	.....	216/2005, 254/2007
Power Purchase Arrangements Determinations	175/2000	.....	215/2001
Regulated Rate Option	262/2005	.....	264/2007, 143/2010, 224/2012, 11/2013, 59/2015, 138/2017, 135/2018, 199/2019
<i>NOTE: AR 199/2019 comes into force on the repeal of An Act to Cap Regulated Electricity Rates</i>			
Roles, Relationships and Responsibilities, 2003	169/2003	.....	315/2003, 25/2004, 108/2004, 108/2005, 265/2007, 224/2012, 11/2018, 56/2019
Small Scale Generation	194/2018	.....	56/2019, 81/2019, 133/2019, 143/2019
Transmission	86/2007	121/2007, 255/2007, 160/2009, 288/2009, 153/2010, 156/2012, 145/2013, 175/2014, 7/2018, 114/2018, 242/2018, 136/2019

ELECTRIC UTILITIES ACT

Chapter E-5.1

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HER MAJESTY, by and with the advice and consent of the
Legislative Assembly of Alberta, enacts as follows:

Part 1

Interpretation, Application and Purpose

Interpretation

1(1) In this Act,

- (a) “affiliated electricity retailer” has the meaning given to it in regulations made by the Minister under section 108;
- (a.1) “affiliated gas retailer” has the meaning given to it in regulations made by the Minister under section 108;
- (a.2) “affiliated retailer” means an affiliated electricity retailer or an affiliated gas retailer;
- (b) “ancillary services” means those services required to ensure that the interconnected electric system is operated in a manner that provides a satisfactory level of service with acceptable levels of voltage and frequency;
- (c) “Balancing Pool” means the corporation established by section 75;
- (d) “bill” or “billing” means an account for charges arising from the generation, transmission, distribution or sale of electricity;
- (d.1)-(d.6) repealed 2019 c11 s2(2);
- (e) “Commission” means the Alberta Utilities Commission established by the *Alberta Utilities Commission Act*;
- (e.1) “Commission business day” means any day from Monday to Friday, excluding holidays and other days on which the Commission is not open for business;
- (f) “conduct” includes acts and omissions;
- (f.1) “critical transmission infrastructure” means a transmission facility designated under the Schedule as critical transmission infrastructure;
- (g) “Crown” means the Crown in right of Alberta and includes an agent of the Crown;

- (h) “customer” means a person purchasing electricity for the person’s own use;
- (i) “dispatch” means a direction from the Independent System Operator to an electricity market participant to cause, permit or alter the exchange of electric energy or ancillary services;
- (j) “distributed generation” means a generating unit that is interconnected with an electric distribution system;
- (k) repealed 2007 cA-37.2 s82(4);
- (l) “distribution tariff billing” means an account for electric distribution service provided to a retailer or a regulated rate provider;
- (l.1) “electric distribution service” means the service required to transport electricity by means of an electric distribution system
 - (i) to customers, or
 - (ii) from distributed generation to the interconnected electric system,

and includes any services the owner of the electric distribution system is required to provide by the Commission or is required to provide under this Act or the regulations, but does not include the provision of electricity services to eligible customers under a regulated rate tariff;
- (m) “electric distribution system” means the plant, works, equipment, systems and services necessary to distribute electricity in a service area, but does not include a generating unit or a transmission facility;
- (n) “electric energy” means the capability of electricity to do work, measured in kilowatt hours;
- (o) “electric utility” means an isolated generating unit, a transmission facility or an electric distribution system that is used
 - (i) directly or indirectly for the public, or
 - (ii) to supply electricity to members of an association whose principal object is to supply electricity to its members,

the owner of which

- (iii) is required by this Act or the regulations to apply to the Commission for approval of a tariff,
- (iv) is permitted by this Act or the regulations to apply to the Commission for approval of a tariff, and has applied for that approval, or
- (v) passes a bylaw that has been approved by the Lieutenant Governor in Council under section 138,

but does not include an arrangement of conductors intended to distribute electricity solely on property of which a person is the owner or a tenant, for use solely by that person and solely on that property or a facility exempted by Commission rules made under section 117;

- (p) “electricity” means electric energy, electric power, reactive power or any other electromagnetic effects associated with alternating current or high voltage direct current electric systems;
- (p.1) “electricity market” means any type of market through or under which an offer, purchase, sale, trade or exchange of electricity, electric energy, electricity services or ancillary services takes place in relation to the production or consumption of electricity, electric energy, electricity services or ancillary services;
- (p.2) “electricity market participant” means
 - (i) any person that supplies, generates, transmits, distributes, trades, exchanges, purchases or sells electricity, electric energy, electricity services or ancillary services, or
 - (ii) any broker, brokerage or forward exchange that trades or facilitates the trading of electricity, electric energy, electricity services or ancillary services;
- (q) “electricity services” means the services associated with providing electricity to a person, including the following:
 - (i) the exchange of electric energy;
 - (ii) making financial arrangements to manage financial risk associated with the pool price;
 - (iii) electric distribution service;
 - (iv) system access service;

- (v) ancillary services;
- (vi) billing;
- (vii) metering;
- (viii) performing load settlement;
- (ix) any other services specified in the regulations made by the Minister under section 115;
- (r) “eligible customer” has the meaning given to it in regulations made by the Minister under section 108;
- (s) “exchange” means to provide electric energy to or receive electric energy from the interconnected electric system;
- (t) “farm transmission costs”, in respect of an owner of an electric distribution system, means
 - (i) the proportion of the owner’s costs of supplying electricity on 25 000 volt lines to the service area boundaries of rural electrification associations that the total electricity supplied to rural electrification association members within those boundaries for farm and farm irrigation purposes bears to the total electricity supplied on those lines, and
 - (ii) an equivalent dollar amount per unit of electricity supplied by the electric distribution system to farm and farm irrigation customers who are not members of rural electrification associations;
- (u) “generating unit” means the component of a power plant that produces, from any source, electric energy and ancillary services, and includes a share of the following associated facilities that are necessary for the safe, reliable and economic operation of the generating unit, which may be used in common with other generating units:
 - (i) fuel and fuel handling equipment;
 - (ii) cooling water facilities;
 - (iii) switch yards;
 - (iv) other items;
- (v) repealed 2018 c10 s2(2);

- (w) “Independent System Operator” means the corporation established by section 7;
- (x) “industrial system” has the meaning given to it in the *Hydro and Electric Energy Act*;
- (y) “information systems” means systems for the collection, storage and dissemination of data that identify individual customer consumption of electricity from the interconnected electric system;
- (z) “interconnected electric system” means all transmission facilities and all electric distribution systems in Alberta that are interconnected, but does not include an electric distribution system or a transmission facility within the service area of the City of Medicine Hat or a subsidiary of the City, unless the City passes a bylaw that is approved by the Lieutenant Governor in Council under section 138;
- (aa) “interval meter” means a meter that
 - (i) measures, at intervals of 60 minutes or less, the amount of electricity consumed, and
 - (ii) satisfies the standards for revenue collection under the *Electricity and Gas Inspection Act* (Canada) and the *Weights and Measures Act* (Canada);
- (bb) “isolated generating unit” means a generating unit that is determined to be an isolated generating unit in accordance with the regulations made by the Minister under section 99;
- (cc) “load settlement” means the process of determining the consumption of electric energy in each settlement interval of each customer in Alberta and providing that information to the Independent System Operator, retailers and regulated rate providers in order to identify responsibility for purchases of electric energy exchanged through the power pool;
- (dd), (ee) repealed 2019 c11 s2(2);
- (ff) “Market Surveillance Administrator” means the corporation continued by section 32 of the *Alberta Utilities Commission Act*;
- (gg) “metering” means the purchase, installation, operation and reading of a meter that measures and records the amount of electricity that flows through a particular point;

- (hh) “Minister” means the Minister determined under section 16 of the *Government Organization Act* as the Minister responsible for this Act;
- (ii) “municipality” means a city, town, village, summer village, municipal district or specialized municipality, a town under the *Parks Towns Act* or a municipality formed by special Act, and includes a Metis settlement established under the *Metis Settlements Act*;
- (jj) “owner”, in respect of a generating unit, a transmission facility or an electric distribution system, means the owner, operator, manager or lessee of that unit, facility or system, or any person who is acting as an agent for the owner, operator, manager or lessee, and in the event that one of those persons becomes bankrupt or insolvent, includes any trustee, liquidator or receiver appointed in respect of the bankruptcy or insolvency;
- (kk) “person” includes an individual, unincorporated entity, partnership, association, corporation, trustee, executor, administrator or legal representative;
- (ll) “pool price” means the pool price established by the Independent System Operator under section 18(4);
- (mm) “power pool” means the scheme operated by the Independent System Operator for
 - (i) exchange of electric energy, and
 - (ii) financial settlement for the exchange of electric energy;
- (nn) “power purchase arrangement” means a power purchase arrangement included in Alberta Regulation AR 175/2000, but does not include
 - (i) the power purchase arrangement that applies to the H.R. Milner generating unit;
 - (ii) the power purchase arrangement that applies to the Sturgeon generating units;
 - (iii) a power purchase arrangement that expires in accordance with the unit effective term completion date specified in the power purchase arrangement;
 - (iv) a power purchase arrangement that is terminated under section 15.2 of the power purchase arrangement;

- (v) a power purchase arrangement that is terminated by the Balancing Pool;
- (oo) “rate classification customer” has the meaning given to it in regulations made by the Minister under section 108 or in a regulated rate tariff;
- (pp) “rates” means prices, rates, tolls and charges;
- (qq) “regulated rate provider” means the owner of an electric distribution system, or a person authorized by the owner that provides electricity services to eligible customers in the owner’s service area under a regulated rate tariff;
- (rr) “record” includes
 - (i) information or data regardless of its physical form or characteristics;
 - (ii) information or data in a form that can produce sound, with or without a visual form;
 - (iii) information or data in electronic, magnetic or mechanical storage;
 - (iv) electronic data transmission signals;
 - (v) any other thing that is capable of being represented or reproduced visually or by sound, or both;
 - (vi) anything in which information or data is stored, including software and any mechanism or device that produces the information or data;
- (ss) “regulations” means
 - (i) regulations made under this Act;
 - (ii) Alberta Regulation AR 175/2000;
 - (iii) repealed 2018 c10 s2(2);
- (ss.1) “reliability standards” means the reliability standards made under section 142(1)(1.1);
- (ss.2) repealed 2019 c11 s2(2);
- (tt) “retail electricity services” means electricity services provided directly to a customer but does not include

- electricity services provided to eligible customers under a regulated rate tariff;
- (uu) “retailer” means a person who sells or provides retail electricity services and includes an affiliated retailer;
 - (vv) “rural electrification association” means an association under the *Rural Utilities Act* that has as its principal object the supply of electricity to its members;
 - (ww) “service area” means the area determined under the *Hydro and Electric Energy Act* from time to time in which
 - (i) the owner of an electric distribution system may distribute electricity, or
 - (ii) a rural electrification association may distribute electricity to its members;
 - (xx) “service area of the municipality” means the service area for the electric distribution system owned by a municipality or a subsidiary of a municipality;
 - (xx.1) “settlement interval” means
 - (i) if the ISO rules do not establish a period of time of less than 60 minutes as the settlement interval, 60 minutes, or
 - (ii) if the ISO rules establish a period of time of less than 60 minutes as the settlement interval, the period of time established by the ISO rules as the settlement interval;
 - (yy) “system access service” means the service obtained by electricity market participants through a connection to the transmission system, and includes access to exchange electric energy and ancillary services;
 - (zz) “tariff” means a document that sets out
 - (i) rates, and
 - (ii) terms and conditions;
 - (aaa) “terms and conditions”, in respect of a tariff, means the standards, classifications, regulations, practices, measures and terms and conditions that apply to services provided under the tariff;
 - (bbb) “transmission facility” means an arrangement of conductors and transformation equipment that transmits electricity from

the high voltage terminal of the generation transformer to the low voltage terminal of the step down transformer operating phase to phase at a nominal high voltage level of more than 25 000 volts to a nominal low voltage level of 25 000 volts or less, and includes

- (i) transmission lines energized in excess of 25 000 volts,
 - (ii) insulating and supporting structures,
 - (iii) substations, transformers and switchgear,
 - (iv) operational, telecommunication and control devices,
 - (v) all property of any kind used for the purpose of, or in connection with, the operation of the transmission facility, including all equipment in a substation used to transmit electric energy from
 - (A) the low voltage terminal,
to
 - (B) electric distribution system lines that exit the substation and are energized at 25 000 volts or less,and
 - (vi) connections with electric systems in jurisdictions bordering Alberta,
but does not include a generating unit or an electric distribution system;
- (ccc) “transmission system” means all transmission facilities in Alberta that are part of the interconnected electric system.
- (ddd) repealed 2007 cA-37.2 s82(4).

(2) A reference in this Act to

- (a) “ISO bylaws” means bylaws made by the Independent System Operator under section 10;
- (b) “ISO fees” means the fees established by the Independent System Operator under section 21;
- (c) “ISO order” means an order made by the Independent System Operator under section 22;

- (d) “ISO rules” means the rules made by the Independent System Operator under section 19 or 20 or the regulations;
- (e) “ISO tariff” means the tariff prepared by the Independent System Operator under section 30 that has been approved by the Commission.

(3) For the purpose of determining whether a corporation is a subsidiary of another corporation under this Act or the regulations, section 2(4) of the *Business Corporations Act* applies.

(4) For the purposes of this Act, the “service area of the City of Medicine Hat” or “service area of the City” means

- (a) the service area for the electric distribution system owned by the City of Medicine Hat or a subsidiary of the City on the date this section comes into force and includes any subsequent amendments made in accordance with section 29 of the *Hydro and Electric Energy Act*,
- (b) any transmission facilities owned by the City of Medicine Hat or a subsidiary of the City that are located outside the City’s service area described in clause (a) and that are used to provide electric distribution service to customers within the City’s service area described in clause (a),
- (c) any plant, works, equipment and systems owned by the City of Medicine Hat or a subsidiary of the City that are located outside the City’s service area described in clause (a) and that are used to provide electric distribution service to customers within the City’s service area described in clause (a),
- (d) any properties located outside the City’s service area described in clause (a) to which the City or a subsidiary of the City provides electric distribution service on the date this section comes into force, and any plant, works, equipment, systems and services necessary to provide electric distribution service to those properties, and
- (e) any properties to which the City of Medicine Hat or a subsidiary of the City is authorized to provide electric distribution service pursuant to an approval by the Commission under section 26 of the *Hydro and Electric Energy Act*, and any plant, works, equipment and systems owned by the City of Medicine Hat or a subsidiary of the City necessary to serve those properties.

2003 cE-5.1 s1;2007 cA-37.2 s82(4);2009 c44 s2;
2012 c6 s2;2018 c10 s2(2);2019 c11 s2(2)

Exemptions from the Act

2(1) This Act does not apply to

- (a) electric energy produced in the service area of the City of Medicine Hat
 - (i) by the City or a subsidiary of the City and consumed in that service area, or
 - (ii) by generating units that produce electric energy under contract to the City or to a subsidiary of the City and consumed in that service area,

unless the City passes a bylaw that is approved by the Lieutenant Governor in Council under section 138;

- (b) electric energy produced on property of which a person is the owner or a tenant, and consumed solely by that person and solely on that property;
- (c) electric energy produced by the following generating units located in the City of Calgary, to the extent of the capacity of those units on January 1, 1996:
 - (i) Glenmore water treatment facility;
 - (ii) Bearspaw water treatment facility;
 - (iii) Turbo Expander;
- (d) electric energy exempted by the Commission in accordance with rules made under section 117.

(2) The exemptions under subsection (1)(a) and sections 37(2)(a), 100 and 109 do not apply if the City of Medicine Hat or a subsidiary of the City does not provide the information or statements required by a regulation made under section 142(1)(h).

(3) The exemption under subsection (1)(b) applies whether or not the owner or tenant is the owner of the generating unit producing the electric energy.

2003 cE-5.1 s2;2007 cA-37.2 s82(4);2018 c10 s2(3)

Effect of the Act

3(1) Nothing in this Act requires

- (a) any person to transfer or divest itself of any property owned by it, or

(b) any change in the boundaries of the service area of an electric distribution system.

(2) Agreements existing when this Act or any portion of this Act or any Act that amends this Act comes into force relating to the generation, transmission, distribution, offer, purchase, sale, trade or exchange of electricity are preserved unless subsection (3) applies.

(3) An agreement existing when this Act or any portion of this Act or any Act that amends this Act comes into force and that is expressly or by necessary implication inconsistent with this Act or the Act that amends this Act is deemed to be amended to the extent necessary to make the agreement consistent with this Act or the Act that amends this Act.

Immunity for the Crown

4 No action may be brought against the Crown claiming compensation for any real or perceived loss or damage resulting from the coming into force or the implementation of

- (a) the *Electric Utilities Act*, SA 1995 cE-5.5, the *Electric Utilities Amendment Act, 1998*, SA 1998 c13, or the *Electric Utilities Act*, RSA 2000 cE-5, or any regulations made under those Acts, or
- (b) this Act or amendments to this Act or any regulations made or purported to be made under those Acts.

Purposes of the Act

5 The purposes of this Act are

- (a) to provide an efficient Alberta electric industry structure including independent, separate corporations to carry out the responsibilities of the Independent System Operator and the Balancing Pool, and to set out the powers and duties of those corporations;
- (b) to provide for a competitive power pool so that an efficient electricity market based on fair and open competition can develop, where all persons wishing to exchange electric energy through the power pool may do so on non-discriminatory terms and may make financial arrangements to manage financial risk associated with the pool price;
- (c) to provide for rules so that an efficient electricity market based on fair and open competition can develop in which

neither the market nor the structure of the Alberta electric industry is distorted by unfair advantages of government-owned participants or any other participant;

- (c.1) repealed 2019 c11 s2(3);
- (d) to continue a flexible framework so that decisions of the electric industry about the need for and investment in generation of electricity are guided by competitive market forces;
- (e) to enable customers to choose from a range of services in the Alberta electric industry developed by a competitive electricity market, and to receive satisfactory service;
- (f) to continue the sharing, among all customers of electricity in Alberta, of the benefits and costs associated with the Balancing Pool;
- (g) to continue the framework established for power purchase arrangements;
- (h) to provide for a framework so that the Alberta electric industry can, where necessary, be effectively regulated in a manner that minimizes the cost of regulation and provides incentives for efficiency.

2003 cE-5.1 s5;2007 cA-37.2 s82(4);2018 c10 s2(4);
2019 c11 s2(3)

Expectations of market participants

6(1) Electricity market participants are to conduct themselves in the electricity market in a manner that supports the fair, efficient and openly competitive operation of the electricity market.

(2) Repealed 2019 c11 s2(4).

2003 cE-5.1 s6;2018 c10 s2(5);2019 c11 s2(4)

Part 2 Independent System Operator and Transmission

Division 1 Corporate Organization

ISO established

7(1) There is hereby established a corporation to be known as the Independent System Operator.

- (2) The Independent System Operator consists of its members, who are appointed under section 8.
- (3) The Independent System Operator is not a Provincial corporation for the purposes of the *Financial Administration Act*, the *Auditor General Act* or any other enactment.
- (4) Repealed 2013 cF-14.5 s24.
- (5) The Independent System Operator is not an agent of the Crown.

2003 cE-5.1 s7;2013 cF-14.5 s24

Appointment of ISO members

- 8(1)** The Minister must appoint as members of the Independent System Operator not more than 9 individuals who, in the opinion of the Minister,
- (a) are independent of any person who has a material interest in the Alberta electric industry, and
 - (b) will enhance the performance of the Independent System Operator in exercising its powers and carrying out its duties, responsibilities and functions.
- (2) The Minister must designate one of the members of the Independent System Operator as chair.
- (3) In accordance with ISO bylaws, the members of the Independent System Operator
- (a) must recommend to the Minister individuals to be appointed as members for all appointments after the appointment of the first members, and
 - (b) may recommend to the Minister an individual to be designated as chair when a chair needs to be designated.
- (4) The members of the Independent System Operator must oversee the business and affairs of the Independent System Operator.
- (5) The term of office of a member is for not more than 3 years.
- (6) A member is eligible to be appointed for not more than 3 terms of office.
- (7) A member continues to hold office after the expiry of the member's term until the member is reappointed, the member's

successor is appointed or a period of 3 months has elapsed, whichever occurs first.

(8) A member is eligible to receive the reasonable remuneration and expenses set out in the ISO bylaws.

(9) In carrying out any duty, responsibility or function as a member of the Independent System Operator, the member must

- (a) act honestly, in good faith and in the public interest,
- (b) avoid conflicts of interest, and
- (c) exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances.

Natural person powers

9(1) Subject to this Act and the regulations, the Independent System Operator has the rights, powers and privileges of a natural person.

(2) Except when the power to delegate is restricted by this Act, by regulations made under section 41 or 142 or by ISO bylaws, the Independent System Operator may delegate any power or duty conferred or imposed on it under this or any other enactment

- (a) to any of the members, officers or employees of the Independent System Operator, or
- (b) to any other qualified person the Independent System Operator considers appropriate.

(3) The Independent System Operator shall not delegate the power to approve annual financial statements or its power to make bylaws.

(4) The Independent System Operator shall not, without the consent of the Minister, delegate any of its powers, duties, responsibilities or functions to a regional transmission organization or enter into any agreement that has that effect.

(5) The Independent System Operator may enter into arrangements or agreements with responsible authorities in jurisdictions outside Alberta respecting the operations, standards and business practices relating to the interconnected electric system

- (a) in Alberta, or

(b) in conjunction with the operation of electric systems outside Alberta.

(6) The Independent System Operator may not own or hold an interest in any transmission facility, electric distribution system or generating unit.

Bylaws

10(1) The Independent System Operator must make bylaws governing its business and affairs.

(2) In its bylaws, the Independent System Operator

(a) must establish

- (i) in accordance with the *Alberta Public Agencies Governance Act* and any applicable regulations under that Act, a code of conduct for its members, officers, employees and agents,
- (ii) in accordance with the *Alberta Public Agencies Governance Act* and any applicable regulations under that Act, criteria and a process for recommending the appointment of members and designation of an individual as chair when an appointment or designation is needed,
- (iii) in accordance with any applicable regulations under the *Alberta Public Agencies Governance Act*, the reasonable remuneration and payment for expenses members are eligible to receive, and
- (iv) criteria relating to the removal of members and the process to be followed to recommend to the Minister the removal of a member,

and

(b) may establish

- (i) the number of its members that constitutes a quorum at meetings of the Independent System Operator, and
- (ii) rules respecting the number of its members that is required to carry out any decision in order for that decision to bind all of its members and to constitute a decision of the Independent System Operator.

(3) The Independent System Operator must make its bylaws available to the public.

2003 cE-5.1 s10;2009 cA-31.5 s36

Chief executive officer

11 The Independent System Operator must appoint a qualified individual to act as its chief executive officer.

Auditor

12 The Independent System Operator must appoint an independent auditor to review and audit its financial statements.

13 Repealed 2007 cA-37.2 s82(4).

ISO budget

14(1) The Independent System Operator must prepare a budget for each fiscal year setting out

- (a) the estimated expenditures, costs and expenses of the Independent System Operator to carry out its powers, duties, responsibilities and functions, which may include expenditures for capital assets allocated over the expected useful life of the asset,
- (b) the aggregate estimated expenditures, costs and expenses in the approved budget of the Market Surveillance Administrator,
- (c) its estimated revenue from ISO fees,
- (d) its estimated revenue from the ISO tariff, and
- (e) its estimated revenue from fees levied and payments received under the *Renewable Electricity Act*.

(2) The Independent System Operator may amend its budget.

(3) The Independent System Operator must be managed so that, on an annual basis, no profit or loss results from its operation.

2003 cE-5.1 s14;2016 cR-16.5 s20

Records and reporting

15(1) The Independent System Operator must

- (a) maintain accounting records and a record of its business and affairs,

- (b) within 120 days after the end of its fiscal year, provide to the Minister an annual report
 - (i) reporting on its business and affairs in the fiscal year, and
 - (ii) containing its audited financial statements for the fiscal year,and
 - (c) at any time when required to do so by the Minister, prepare and have audited financial statements relating to any part of its business and affairs for any period of time specified by the Minister.
- (2) After providing the annual report to the Minister, the Independent System Operator must make it available to the public.
- (3) The Independent System Operator must provide to the Minister any other reports and information relating to its duties, responsibilities and functions that the Minister requests.

2003 cE-5.1 s15;2018 c10 s2(6)

Division 2 Independent System Operator Duties and Authority

Duty to act responsibly

16(1) The Independent System Operator must exercise its powers and carry out its duties, responsibilities and functions in a timely manner that is fair and responsible to provide for the safe, reliable and economic operation of the interconnected electric system and to promote a fair, efficient and openly competitive electricity market for electricity.

(1.1) Repealed 2019 c11 s2(5).

(2) Subsection (1) does not apply to the development of renewable electricity program proposals under the *Renewable Electricity Act*.

2003 cE-5.1 s16;2016 cR-16.5 s20;2018 c10 s2(7);
2019 c11 s2(5)

ALSA regional plans

16.1 In carrying out its mandate under this Act and other enactments, the Independent System Operator must act in accordance with any applicable ALSA regional plan.

2009 cA-26.8 s74

Duties of Independent System Operator

17 The Independent System Operator has the following duties:

- (a) to operate the power pool in a manner that promotes the fair, efficient and openly competitive exchange of electric energy;
- (b) to facilitate the operation of electricity markets in a manner that is fair and open and that gives all electricity market participants wishing to participate in those electricity markets and to exchange electric energy a reasonable opportunity to do so;
- (c) to determine, according to relative economic merit, the order of dispatch of electric energy and ancillary services in Alberta and from scheduled exchanges of electric energy and ancillary services between the interconnected electric system in Alberta and electric systems outside Alberta, to satisfy the requirements for electricity in Alberta;
- (d) to carry out financial settlement for all electric energy exchanged through the power pool at the pool price unless this Act or the regulations made by the Minister under section 41 provide otherwise;
- (e) to manage and recover the costs of transmission line losses;
- (f) to manage and recover the costs for the provision of ancillary services;
- (g) to provide system access service on the transmission system and to prepare an ISO tariff;
- (h) to direct the safe, reliable and economic operation of the interconnected electric system;
- (i) to assess the current and future needs of electricity market participants and plan the capability of the transmission system to meet those needs;
- (j) to make arrangements for the expansion of and enhancement to the transmission system;
- (k) to collect, store and disseminate information relating to the current and future electricity needs of Alberta and the capacity of the interconnected electric system to meet those needs, and make that information available to the public;
- (l) to administer load settlement;

- (1.01) repealed 2019 c11 s2(6);
- (1.1) to monitor the compliance of electricity market participants with ISO rules and rules made under section 24.1;
- (1.2) to develop proposals for renewable electricity programs under the *Renewable Electricity Act*;
- (1.3) to implement renewable electricity programs and to administer renewable electricity support agreements under the *Renewable Electricity Act*;
- (m) to perform any other function or engage in any activity the Independent System Operator considers necessary or advisable to exercise its powers and carry out its duties, responsibilities and functions under this Act or any other enactment.

2003 cE-5.1 s17;2007 cA-37.2 s82(4);2016 cR-16.5 s20;
2018 c10 s2(8);2019 c11 s2(6)

Power pool

18(1) The Independent System Operator must operate the power pool in a manner that is fair, efficient and open to all electricity market participants exchanging or wishing to exchange electric energy through the power pool and that gives all electricity market participants a reasonable opportunity to do so.

(2) All electric energy entering or leaving the interconnected electric system must be exchanged through the power pool unless regulations made under section 41, section 99 or section 142 provide otherwise.

(3) A person shall not intentionally cause or permit electric energy or ancillary services to enter or leave the interconnected electric system except in accordance with ISO rules.

(4) The Independent System Operator must, in accordance with the ISO rules,

- (a) establish the pool price for each settlement interval for electric energy exchanged through the power pool, which must not include any portion of the ISO fees, and
- (b) make the pool price available to the public.

2003 cE-5.1 s18;2018 c10 s2(9);2019 c11 s2(28)

Direct sales agreements and forward contracts

19(1) In this section,

- (a) “direct sales agreement” means an agreement relating to the sale or purchase of electric energy in accordance with the terms agreed to by the parties to the agreement, but does not include a forward contract;
- (b) “forward contract” means an agreement relating to the sale or purchase of electric energy
 - (i) that is tradeable on a forward exchange, and
 - (ii) that provides for the future delivery of electric energy;
- (c) “forward exchange” means an organization that is in the business of operating an electricity market for buying and selling forward contracts.

(2) Exchange of electric energy under a direct sales agreement or a forward contract must be undertaken in accordance with ISO rules, including rules

- (a) setting out the requirements, including the information to be provided to the Independent System Operator, concerning a direct sales agreement or forward contract,
- (b) authorizing persons other than the Independent System Operator to make financial settlement for electric energy sold or purchased under a direct sales agreement or forward contract,
- (c) authorizing that financial settlement may be at a price other than the pool price for electric energy sold or purchased under a direct sales agreement or forward contract, and
- (d) relating to the curtailment and certainty of supply of electric energy sold or purchased under a direct sales agreement or forward contract.

(3) A rule under subsection (2) shall not require a person buying or selling electric energy under a direct sales agreement or forward contract to disclose to the Independent System Operator information relating to the price of electric energy sold or purchased under the agreement or contract.

2003 cE-5.1 s19;2018 c10 s2(10)

ISO rules

20(1) The Independent System Operator may make rules respecting

- (a) the practices and procedures of the Independent System Operator;
- (b) the operation of the power pool and the exchange of electric energy through the power pool;
- (c) the operation of the interconnected electric system;
- (d) the provision of ancillary services;
- (e) planning the transmission system, including criteria and standards for the reliability and adequacy of the transmission system;
- (f) the processes for expansion and enhancement of the transmission system;
- (g) the procedures to be observed in emergencies relating to the operation of the interconnected electric system;
- (h) repealed 2007 cA-37.2 s82(4);
- (i) direct sales agreements and forward contracts as defined in section 19(1);
- (j) the granting of exemptions from the rules, and setting out the process for obtaining an exemption;
- (k) procedures for resolving disputes between the Independent System Operator and electricity market participants, which may include arbitration under the *Arbitration Act*;
- (k.1) any matter as the ISO considers necessary or advisable to carry out its duties, responsibilities and functions under the *Renewable Electricity Act*;
- (l) any other matter the Independent System Operator considers necessary or advisable to carry out its duties, responsibilities and functions under this Act and the regulations.

(1.1) Subject to section 20.6(4), an ISO rule made under this section does not take effect unless it is approved by the Commission.

(2), (3) Repealed 2007 cA-37.2 s82(4).

2003 cE-5.1 s20;2007 cA-37.2 s82(4);2016 cR-16.5 s20;
2018 c10 s2(11);2019 c11 s2(28)

20.1 Repealed 2018 c10 s2(12).

Filing of ISO rules

20.2(1) On making an ISO rule, the Independent System Operator must file the ISO rule with the Commission for the Commission's approval.

(2) The Commission must publish notice of the filing of an ISO rule under subsection (1) not later than 5 Commission business days after the day of filing.

(3) Subject to subsection (4), a notice under subsection (2) must include a copy of the ISO rule or set out where a copy may be obtained.

(4) If the Commission is satisfied on information provided by the Independent System Operator that it would not be in the public interest for an ISO rule to be available to the public, the notice under subsection (2) must contain a summary of the ISO rule and explain why a copy of the ISO rule is not included.

2007 cA-37.2 s82(4);2018 c10 s2(13);2019 c11 s2(7)

Approval of ISO rules

20.21(1) After considering an ISO rule, the Commission may, by order,

- (a) approve the ISO rule,
- (b) direct the Independent System Operator to revise the ISO rule or a provision of the ISO rule and approve the ISO rule subject to the Commission being satisfied that the ISO rule has been revised by the Independent System Operator, in accordance with the directions set out in the order, by the date set out in the order, or
- (c) refuse to approve the ISO rule.

(2) The Commission may approve an ISO rule filed under section 20.2 or 20.6 only if the Commission is satisfied

- (a) that the ISO rule
 - (i) is not technically deficient,
 - (ii) supports the fair, efficient and openly competitive operation of the electricity market, and
 - (iii) is in the public interest,

and

- (b) repealed 2019 c11 s2(8),

(c) that the Independent System Operator, in developing the rule, complied with the Commission rules made under section 20.9.

(3) Repealed 2019 c11 s2(8).

(4) The Independent System Operator has the onus of satisfying the Commission with respect to the matters referred to in subsection (2).

(5) The Independent System Operator must file with the Commission, for the Commission's review, an ISO rule that is revised in accordance with an order under subsection (1)(b).

(6) The Commission must publish notice of the filing of an ISO rule under subsection (5) as soon as possible and not later than 5 Commission business days after the date of filing.

(7) Except where section 20.6(4) applies, an ISO rule that is approved under subsection (1)(a) takes effect on the later of

- (a) the date specified in the ISO rule,
- (b) the date of the order approving the ISO rule, and
- (c) the date specified in the order approving the ISO rule.

(8) If the Commission confirms, in a manner determined by the Commission, that it is satisfied that an ISO rule has been revised in accordance with the directions set out in an order under subsection (1)(b), the revised ISO rule takes effect on the later of

- (a) the date on which the revised ISO rule is filed,
- (b) the date specified in the revised ISO rule, and
- (c) the date specified by the Commission by order.

(9) Repealed 2019 c11 s2(8).

(10) If, under subsection (1)(b), the Commission directs the Independent System Operator to revise an ISO rule or a provision of an ISO rule that took effect under section 20.6, the ISO rule ceases to have effect under section 20.6 on the earlier of

- (a) the date the revised ISO rule takes effect under subsection (8), and
- (b) the date specified in the order directing the Independent System Operator to revise the ISO rule.

(11) If the Commission refuses to approve an ISO rule that took effect under section 20.6, the ISO rule ceases to have effect under section 20.6 on the later of

- (a) the date of the order refusing to approve the ISO rule, and
- (b) the date specified in the order refusing to approve the ISO rule.

2018 c10 s2(14);2019 c11 s2(8)

20.22 and **20.23** Repealed 2019 c11 s2(9).

20.3 to **20.5** Repealed 2018 c10 s2(15).

Expedited ISO rule

20.6(1) If, in the opinion of the Independent System Operator, a matter that is addressed in an ISO rule is urgent or there are other sufficient reasons that require that an ISO rule takes effect expeditiously, the Independent System Operator may

- (a) file the ISO rule with the Commission for the Commission's consideration under subsection (2), and
- (b) request the Commission's approval for the ISO rule to take effect under subsection (4).

(2) The Commission shall consider and make an order with respect to an ISO rule filed under subsection (1)

- (a) within 2 Commission business days after the date the ISO rule is filed if, in the material filed with respect to the ISO rule, the Independent System Operator indicates that a matter that is addressed in the ISO rule is urgent and affects the reliable supply of electricity or the safe and reliable operation of the interconnected electric system, or
- (b) within 5 Commission business days after the date on which the ISO rule is filed in any other case.

(3) On considering an ISO rule under subsection (2), the Commission shall, by order,

- (a) approve the ISO rule taking effect in accordance with subsection (4), if, on information provided by the Independent System Operator, the Commission is satisfied that a matter that is addressed in the ISO rule is urgent or there are other sufficient reasons that require that the ISO rule takes effect expeditiously, or

(b) refuse to approve the ISO rule taking effect in accordance with subsection (4) in any other case.

(4) If the Commission makes an order under subsection (3)(a) with respect to an ISO rule, the ISO rule takes effect on the later of

(a) the date of the order made under subsection (3)(a), and

(b) the date specified in the ISO rule.

(5) On making an order under subsection (3), the Commission shall publish notice of the ISO rule.

(6) The Commission shall, not later than 5 Commission business days after the day an ISO rule is filed under this section, begin to consider the ISO rule in accordance with section 20.21.

(7) Repealed 2019 c11 s2(10).

2007 cA-37.2 s82(4);2018 c10 s2(16);2019 c11 s2(10)

Availability of ISO rules

20.7(1) Subject to subsection (2), the Independent System Operator must make available to the public an ISO rule that is in effect.

(2) If the Commission is satisfied on information provided by the Independent System Operator that it would not be in the public interest for an ISO rule to be available to the public, the Independent System Operator must make available to the public a summary of the ISO rule that contains an explanation as to why the ISO rule is not being made available.

2007 cA-37.2 s82(4)

Duty to comply with ISO rules and reliability standards

20.8 An electricity market participant must comply with

(a) the ISO rules that are in effect, and

(b) the reliability standards.

2007 cA-37.2 s82(4);2009 c44 s2;2019 c11 s2(11)

Process for proposing changes to ISO rules

20.81 Subject to any regulations under section 41(1)(a), the Independent System Operator shall establish a process for electricity market participants and interested parties to propose rules and changes to ISO rules for the Independent System Operator's consideration.

2018 c10 s2(17);2019 c11 s2(28)

Commission rules

20.9 Subject to any regulations under section 41(1)(a.1), the Commission

- (a) shall make rules requiring the Independent System Operator to consult with electricity market participants, the Market Surveillance Administrator and other interested parties in developing ISO rules, and
- (b) may make rules governing the making of ISO rules, including, without limitation, rules
 - (i) respecting the procedures and processes that the Independent System Operator must follow in developing ISO rules;
 - (ii) respecting the filing of ISO rules, including the form and content of filings;
 - (iii) respecting the requirements that the Independent System Operator must meet to satisfy the Commission with respect to the matters referred to in sections 20.21 and 20.6.

2007 cA-37.2 s82(4);2018 c10 s2(18);2019 c11 s2(12)

ISO fees

21(1) The Independent System Operator must establish and charge fees payable by electricity market participants

- (a) for the exchange of electric energy through the power pool,
- (b) to pay for the aggregate expenditures, costs and expenses shown in the approved budget of the Market Surveillance Administrator and any approved amendment to the budget, and
- (c) to pay for the costs and expenses of other powers, duties, responsibilities and functions of the Independent System Operator, except costs and expenses recovered under the ISO tariff.

(2) The fees must be just and reasonable and may be varied from time to time.

(3) An electricity market participant who is charged a fee by the Independent System Operator must pay the fee.

(4) An electricity market participant charged a fee by the Independent System Operator may make a complaint to the Commission under section 25.

(5) A fee charged by the Independent System Operator is a debt owing by the electricity market participant to the Independent System Operator and in default of payment may be recovered by the Independent System Operator by an action in debt.

(6) The Independent System Operator must maintain a current schedule of its fees and make the schedule available to the public.

2003 cE-5.1 s21;2007 cA-37.2 s82(4);2019 c11 s2(13)

Contravention of ISO rule

21.1 Except as otherwise provided by the regulations, if the Independent System Operator suspects that an electricity market participant has contravened an ISO rule or a reliability standard, the Independent System Operator must refer the matter to the Market Surveillance Administrator.

2007 cA-37.2 s82(4);2009 c44 s2;2019 c11 s2(14)

Failure to pay ISO fee

22(1) If an electricity market participant fails to pay an ISO fee, the Independent System Operator may refer the matter to the Commission.

(2) If the Commission is satisfied that an electricity market participant has failed to pay an ISO fee, the Commission may order the electricity market participant to pay the ISO fee and may impose an administrative penalty on the electricity market participant under section 63 of the *Alberta Utilities Commission Act*.

2003 cE-5.1 s22;2007 cA-37.2 s82(4);2019 c11 s2(15)

23 and 24 Repealed 2007 cA-37.2 s82(4).

Load settlement rules

24.1(1) The Commission may make rules respecting load settlement, including rules respecting

- (a) the conduct of load settlement by electricity market participants,
- (b) the establishment of processes, procedures, standards, reports and controls required to determine the allocation for each settlement interval of electric energy to sites and to customers,
- (c) the determination, collection and storage of site, metering and other data in order to provide necessary measurement data,

- (d) the development and use of customer load profiles to determine the allocation for each settlement interval of electric energy to sites that do not have interval meters,
- (e) the transfer of data among electricity market participants,
- (f) the payment to the Commission of professional and other costs relating to the development and implementation of the rules and by whom the costs are to be paid,
- (g) incentives for efficient performance of load settlement, and
- (g.1) repealed 2019 c11 s2(16),
- (h) any other matter the Commission considers necessary and advisable relating to load settlement.

(2) The Independent System Operator must administer load settlement in accordance with the rules made under subsection (1).

(3) An electricity market participant must comply with rules made by the Commission under subsection (1).

(4) On referral by the Independent System Operator, on application or on its own initiative, the Commission may determine whether an electricity market participant is complying with the rules respecting load settlement.

(5) If the Commission is of the opinion that an electricity market participant has failed or is failing to comply with the rules respecting load settlement, the Commission may by order do all or any of the following:

- (a) direct the electricity market participant to comply with the rules or to take any action to improve load settlement that the Commission considers just and reasonable;
- (b) direct the electricity market participant to pay or provide a credit in an amount specified by the Commission to a person determined by the Commission who has suffered loss or damage resulting from the failure of the electricity market participant to comply with the rules to compensate that person;
- (c) prohibit the electricity market participant from engaging in any activity or conduct that the Commission considers to be detrimental to load settlement;
- (d) impose an administrative penalty under section 63 of the *Alberta Utilities Commission Act*.

2007 cA-37.2 s82(4);2018 c10 s2(19);2019 c11 s2(16)