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June 3, 1999

To: Distribution List

Attached are guidelines that is the Department of Energy's policy statement, which clarifies the policy intent and scope for transmission planning and transmission ownership for the *Electric Utilities Act* (EUA). Our intent is to introduce any amendments required to the EUA to implement this policy at the next time the EUA is opened in the legislature.

The Transmission Administrator (TA) as a part of the utilities' 1999/2000 Phase 1 General Rate Application raised a number of questions regarding transmission planning. The Department undertook to facilitate a consultative process with industry participants to address these questions, to narrow the issues and to develop a framework that would assist the Alberta Energy and Utilities Board.

The Transmission Planning Guidelines has received general support from the industry participants. Key features of the Guidelines include:

- The TA is accountable for total transmission planning.
- Under certain conditions the TA will seek competitive ownership for new transmission facilities.
- Transmission Facility Owners will participate in transmission planning as requested by and under the overall accountability of the TA.
- Accountabilities are identified for the TA and the Transmission Facility Owners for bulk and non-bulk transmission facilities.
- Customer needs for timely service, system access and confidentiality will be met.
- Customers are provided, where practical, with the ability to choose if competition or direct assignment will determine ownership of a new transmission facility or if the customer will own it.
- Transmission Facility Owners are committed to providing the information needed by the TA to respond to customer inquiries for system access.

The Department will be monitoring the impact of this proposed policy and will be reviewing it by March 2002.

Yours truly,

A06-2915

(Originally signed by) Stephen C. West, Minister

Attachment

c: Neil McCrank, Chair, Alberta Energy and Utilities Board

Electric Utilities Act Advisory Committee

TRANSMISSION PLANNING GUIDELINES

May 25, 1999

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1 Introduction

1.1 These Transmission Planning Guidelines (the "Guidelines") set out the mechanisms for determining the ownership of transmission facilities and the assignment of accountabilities to achieve the required outcomes from transmission planning.

1.2 The Guidelines will be used by the Transmission Administrator, existing and new Transmission Facility Owners, and other industry stakeholders in the planning of the

transmission system.

2 Required Outcomes

2.1 Customers must receive service to acceptable levels in terms of responsiveness, non-discriminatory and reasonable opportunity for system access, reliability, safety, and cost. Transmission customers include all new and existing Disco Points of Delivery ("POD"), interconnections with other jurisdictions, direct access customers and generators.

2.2 Customers must know who is responsible for fulfilling their requirements, and how their requirements shall be met.

2.3 The regulatory process governing the transmission system must be used in an optimal manner, to minimize costs, and to avoid delays to customer in-service dates.

2.4 Commitments to other organizations, namely the WSCC, and interconnections with other jurisdictions, namely BC, Saskatchewan, Medicine Hat, must be met. No unanticipated liabilities are to flow to the regulated TFOs.

2.5 Adequate facilities must be available to provide system access.

2.6 Losses must be optimized.

2.7 System support services must be provided to maintain the integrity of the transmission system.

2.8 The reliability of the transmission system must be ensured by setting appropriate standards and guidelines.

2.9 Transmission planning and the system access process should support and not pose barriers to new generators.

2.10 Municipal tax: there must be a level playing field in evaluation of competition for transmission facility ownership where municipally owned entities are competing.

2.11 Integration with municipal planning and operational requirements, for example franchise agreements, must be achieved, including considering potential annexation implications for both TFOs and municipalities.

3 Principles

3.1 The Transmission Administrator has accountability for total transmission planning.

3.2 The Transmission Administrator shall use its discretion, operating in good faith, in applying the Transmission Planning Guidelines to fulfill its accountability for total transmission planning.

3.3 Customers and other stakeholders must have the opportunity to provide input to the transmission planning process in a timely, meaningful manner.

3.4 Transmission facilities are called **bulk** or **non-bulk**.

- a. Bulk: the movement of bulk power from supplies to load areas, external interconnections, and interconnection of major generation. The following will typically be considered to be bulk transmission facilities: interconnections with other jurisdictions, 500 kV lines, 240 kV lines, less than 240 kV lines interconnecting major generators (meshed or radial), radial connected generators;
- b. Non-Bulk: the movement of power within the load areas (regional, geographic) with the main objective to supply existing customers. For example, transmission facilities within the City of Calgary are considered to be non-bulk.

3.4.1 Existing transmission facilities will be designated as either Bulk or Non-Bulk by the Transmission Administrator subject to modification by the Alberta Department of Energy. Any dispute regarding the designation may be submitted by an affected party to the dispute resolution process, as set out in section 6 of the Guidelines.

3.4.2 New transmission facilities will be designated as either Bulk or Non-Bulk by the Transmission Administrator. Any disagreement with the designation may be submitted by an affected party to the dispute resolution process, as set out in section 6 of the Guidelines.

3.5 Functional specifications chosen by the Transmission Administrator for bulk or non-bulk transmission facilities shall mean the description of what the transmission facility needs to be able to do as a part of the transmission system, and not how it should be done. That is, what are the outcomes or resulting performance from the transmission facility?

3.6 The Transmission Administrator may choose to have another party, including existing Transmission Facility Owners or others (the "assisting party"), undertake planning work on its behalf, but cannot abdicate its accountability for total transmission planning.

3.6.1 The Transmission Administrator will ensure that the assisting party (other than an existing or potential Transmission Facility Owner who is the customer for whom the transmission planning work is being done) enters into a confidentiality agreement to ensure that all information provided to the assisting party by the Transmission Administrator will be held in confidence; that the information will only be used for the purpose for which it was provided; and that any breach of confidentiality will be immediately acted upon by the Transmission Administrator to mitigate the effects of a breach.

3.7 The Transmission Administrator must ensure customers a reasonable opportunity for timely system access, and that adequate transmission facilities are available for that purpose.

3.8 Transmission Facility Owners must maintain the integrity of their transmission facilities so that they may be used by the Transmission Administrator to provide system access service. This includes the overall responsibility of the Transmission Facility Owner for ongoing maintenance and operation of the facility.

3.9 The System Controller is accountable for real-time operation of the transmission system and Transmission Facility Owners coordinate the operation of transmission facilities through the System Controller in real time. The System Controller and the Transmission Administrator will agree on the accountabilities at the operational planning and transmission planning interface, assisted by Transmission Facility Owners.

3.10 The ownership of transmission facilities, at the discretion of the Transmission Administrator, are subject to decision guidelines, Section 4, that sets out the factors and circumstances for using competition or direct assignment of ownership of transmission facilities.

3.11 Competition for the ownership of transmission facilities is not intended to introduce a complex, difficult to manage pattern of transmission facility ownership. Competition must support practical operational needs.

3.12 Customers are to have full, timely, confidential, and impartial access to public transmission system data. The Transmission Administrator serves as the independent and confidential contact. The confidentiality required by customers applying for system access service must be assured by the Transmission Administrator, at the direction of the customer.

3.13 Where customers direct that confidentiality is to be maintained, customers must accept that this may affect the information they may receive and the timeliness of their service, although Transmission Facility Owners and the Transmission Administrator will use best efforts to avoid any such disruptions.

3.14 The playing field for new and existing Transmission Facility Owners must be level, including timely access to public data on the existing transmission system and to information on opportunities to provide transmission facilities.

3.15 Discos, as any other customer, will be required to advise the Transmission Administrator on changes to the distribution system that could cause a change in the transmission system, such as load growth and to provide the necessary supporting information. The timing and processes of interaction will reflect the Disco need to integrate transmission planning with the Disco's own planning requirements. The Transmission Administrator needs to provide to the Disco non-confidential information that may have an effect on the Disco's distribution system.

3.16 Transmission Facility Owners shall be obligated to immediately identify for the Transmission Administrator's action information relating to the potential need for additional transmission facilities. The Transmission Administrator needs to provide to the Transmission Facility Owners non-confidential information that may have an effect on the Transmission Facility Owners transmission facilities.

3.17 The Transmission Facility Owners commit to the Transmission Administrator to provide their proposals for transmission facilities in sufficient detail and in sufficient time to demonstrate that the proposal optimally meets the functional specification prepared by the Transmission Administrator and is in the public interest. Where there is disagreement between the Transmission Facility Owner and the Transmission Administrator, the matter will be pursued in the normal course at the AEUB.

3.18 All transmission will continue to be regulated by the AEUB, regardless of who has ownership of the transmission facility. The regulatory process is retained as the mechanism to ensure the economic, orderly, efficient development and operation in the public interest of the transmission system in Alberta.

3.19 The existing owners of transmission facilities must have the right to preserve the confidentiality of proprietary techniques, designs or procedures [those not required to be public]. Note that any data given to the Transmission Administrator for the sole purpose of the Transmission Administrator's duties will be maintained as confidential as against third parties.

3.20 The Guidelines will be formally reviewed by industry participants no later than March 2002, to adjust if and as necessary.

4 Ownership of Transmission Facilities

4.1 The ownership of transmission facilities will be determined, at the discretion of the Transmission Administrator, in accordance with these Guidelines.

4.2 Disputes pertaining to the determination of the ownership of transmission facilities as set out in this Section 4 of the Guidelines may be submitted by an affected party to the dispute resolution process, as set out in section 6 of the Guidelines.

4.3 Competition for Ownership of a Transmission Facility

4.3.1 Subject to Section 4.5, a competition will be conducted by the Transmission Administrator, at the discretion of the Transmission Administrator, to determine who shall own the transmission facility when one or more of the following conditions is met:

- a. a greenfield transmission facility is required at either 240 or 500 kV capability, OR
- b. a greenfield transmission facility is required on a non-urgent basis that is estimated to cost greater than 10 million dollars; OR
- c. generation is required as an alternative to transmission facilities; OR
- d. an interconnection to a neighbouring jurisdiction is required.

4.3.2 The evaluation of competitive bids will be done by the Transmission Administrator in an unbiased manner. Any unsuccessful bidder may refer a dispute with the Transmission Administrator's decision to the dispute resolution process that shall form a part of the Request for Proposal terms and conditions.

4.3.3 The competitive ownership mechanics pertaining to the application to the AEUB is described in Appendix A of these Guidelines for greater certainty.

4.3.4 In the event that there is a reasonable opportunity for advantages to be received from competition by the aggregation of several or many smaller, similar individual transmission facilities, the aggregate cost being at least 10 million dollars, competition for ownership could be conducted on the conditions that:

- a. the Transmission Administrator makes an application to the AEUB on the basis of all the individual transmission facilities being required; and,
- b. the Transmission Administrator makes the commitment to all of these individual transmission facilities at the time of that application.
- c. However, if these individual transmission facilities were being considered only as potential needs, as in a plan, then they would not be aggregated

for competition.

4.4 Direct Assignment of Ownership of a Transmission Facility

4.4.1 Subject to section 4.5, all transmission facilities that are not subject to competition will be directly assigned.

4.4.2 Direct assignment of ownership of greenfield transmission facilities will be made by the Transmission Administrator to Transmission Facility Owners based upon the following conditions:

- a. the ownership of the transmission facility will be directly assigned on a right of first refusal basis to the Transmission Facility Owner within whose service area it is located. The service area is the equivalent of the Disco affiliated with that Transmission Facility Owner;
- b. if the service area Transmission Facility Owner refuses to own the new transmission facility; the Transmission Administrator shall then decide, at its discretion:
 - i. to directly assign ownership to another party;
 - ii. to hold a competition for ownership; or,
 - iii. to take such other action as is appropriate.

4.4.3 The direct assignment ownership mechanics pertaining to the application to the AEUB is described in Appendix A of these Guidelines for greater certainty.

4.4.4 It is acknowledged that there are circumstances where a transmission facility is mandatory. Existing legal mechanisms will be relied upon to ensure that the facility is constructed.

4.5 Customer Direction Regarding Ownership

4.5.1 Notwithstanding sections 4.3 and 4.4, a single customer, at a single site with an individualized or totalized meter, shall have the right but not the requirement to choose to:

- a. construct and own the transmission facility itself or through an affiliate;
or
- b. instruct the Transmission Administrator to directly assign the ownership and construction of the transmission facility to a new or existing Transmission Facility Owner; or,
- c. request the Transmission Administrator to hold a competition for the ownership and construction of the transmission facility in accordance with these Guidelines.

4.5.2 A customer choosing to exercise their rights pursuant to section 4.5.1(c) shall bear any transaction costs the Transmission Administrator determines, acting reasonably, to be in excess of the costs that would have been incurred through a direct assignment of the transmission facility.

5 Accountabilities

- 5.1 The Transmission Administrator is accountable for total transmission planning.
- 5.2 The Transmission Administrator may choose to assign transmission planning work to Transmission Facility Owners or others. Assignment of work to Transmission Facility Owners or others will assist in managing data and information flows, and will support Transmission Facility Owner requirements for maintaining the integrity of the transmission facility.
- 5.3 Assignment of work is not abdication. The Transmission Administrator will meet the requirements of the AEUB in terms of review of the system impacts and technical aspects of new transmission facilities.
- 5.4 The interaction between the Transmission Administrator and each Transmission Facility Owner must reflect the unique characteristics of each Transmission Facility Owner such as those within urban areas.
- 5.5 Standard definitions of accountability are used to describe how parties are expected to act in each functional area of transmission planning. These are set out in Table 5-1. "A" and "B" represent different parties. For example, "A" might be the Transmission Administrator, while "B" could be an existing Transmission Facility Owner.
- 5.6 One definition in particular is important: **service providing**. Where the Transmission Facility Owner is to provide a service (such as data or information, or planning, or analysis of options) in response to a request from the Transmission Administrator, there will need to be an agreement between the parties to ensure mutually satisfactory performance. The Transmission Facility Owners and the Transmission Administrator will resolve information and data requirements through the Data Requirements Committee convened by the Transmission Administrator, or in the event of dispute through the use of the dispute resolution mechanism in section 6.
- 5.7 It is essential that the defined accountabilities be made subject to an agreement between the parties, including provision for consequence for a failure to perform -- perhaps most obviously being the removal of the opportunity to provide that service in the future. Further sanctions could be built in through application to the AEUB pursuant to the legislation.
- 5.8 Accountabilities may only be fulfilled if there is a matching level of authority granted to the accountable party, and will be confirmed through legislation or contract.

5.1 Table 5-1 Accountability Definitions

What	Definition
Advisory	A is accountable for deciding on opportunities to help B by advising him/her and trying to persuade him/her to take that advice. B is accountable for deciding whether or not to take the advice and, if he/she decides not to, then A is not authorized to go further.
Approve	A must review the decision presented to A by B for the purpose of assessing the decision proposed by B. A will signify, normally in written fashion, acceptance or rejection of the recommendation or proposed modifications to make it acceptable.
Audit	A is accountable for inspecting the work of B and deciding whether or not it is satisfactory within limits. If A decides that it is outside limits, then he/she has the authority to instruct B to stop that particular activity, and B must do so.
Collateral	A and B are accountable for making mutual adjustments in their work so that the best over-all result is achieved.
Monitor	A is accountable for keeping abreast of what B is doing and for taking opportunities to persuade B to take alternative courses of action which A thinks might be better. If B does not accept A's persuasion and A considers the matter to be serious, then A must report to higher authority.
Overall	A must ensure that the task is executed, fully, completely and to established standards. A may do the task directly or instruct or co-ordinate the work of others to execute the task.
Service Providing	The service-provider, B, is accountable, when requested, for providing the service unless he/she does not have the resources to do so, in which case he/she must indicate to A whether and when it will be possible to provide the authorized service.

5.9 Accountabilities for the functions in transmission planning are presented in the tables below. Table 5-2 presents the accountabilities for the bulk system. Table 5-3 presents the accountabilities for the non-bulk system. Table 5-4 presents the accountabilities for adding a generator to the transmission system.

5.10 The Tables use the Guideline Principle 3.5 defining "functional specifications" as a major boundary between Transmission Administrator and Transmission Facility Owner accountabilities.

5.2 Table 5-2 Bulk System Accountabilities

Function	Transmission Administrator	Existing Transmission Facility Owner	Other/Comment
Long-Term System Plan			
- facility characteristics	Overall	Service Providing	Service is primarily data or information.
- load and supply forecasts	Overall	Service Providing	Discos provide data as requested. TFOs facilitate that effort.
- consultation	Overall	Service Providing	Consultation with customers and other stakeholders pertaining to their needs, and review with customers of proposals. Existing TFOs provide data in support of TA as requested.
- analysis and options	Overall	Service Providing	Service is primarily data or information. Existing TFOs or other parties could be asked to do some analysis or option development work.
- standards and guidelines	Overall	Advisory and Service Providing	Discos also need to be asked to provide input on an Advisory basis. TFOs or others could do work at request of TA.
- plan preparation	Overall	Service Providing	Service is primarily data or information.
Plan for Interconnection to other Jurisdictions	Overall	Service Providing	Service is primarily data or information. TA could ask Existing TFOs or others to provide work.
Identify Data and Information Requirements	Overall	Monitor	The Existing TFO is obligated to satisfy itself that the data and information requirements are acceptable. The Existing TFO will go to the appropriate place for dispute resolution in the event of being unsatisfied.

Table 5-2 (continued)

Function	Transmission Administrator	Existing or New Transmission Facility Owner	Other/Comment
Facility Addition			
- identify need	Overall	Advisory	Provided by Existing TFO to TA.
- analysis and options	Overall	Service Providing and Advisory	Existing TFOs are expected to provide data, information and advice to TA on facilities and need for additional, both at request of TA and at own initiative based on TFOs assessments of needs. TA may request Existing TFOs or other party (e.g. New TFO) to provide analysis and option work.
- functional specification	Overall	Service Providing	Existing TFOs to provide data to TA. TA may request Existing TFOs or other party (e.g. New TFO) to provide functional specification work.
- ownership decision	Overall	The ownership will be determined in accordance with the ownership guidelines (section 4).	
- ownership process	Overall		
- detailed design		Overall	The successful TFO will be accountable for the detailed design. This could be an Existing TFO or a New TFO.
- regulatory approval	Advisory	Overall	AEUB approval required, by the successful TFO (Existing or New).
- construct & commission		Overall	Other parties may perform the function per se at direction of the successful TFO (Existing or New).
- interconnection	Approve	Overall	
- operate and maintain	Advisory	Overall	By the successful TFO (Existing or New) Per standards and guidelines

Table 5-2 (continued)

Function	Transmission Administrator	Existing, New Transmission Facility Owner	Other/Comment
Facility Modification			
- identify need	Overall	Monitor	Provided by Existing TFO .
- analysis and options	Overall	Service Providing and Advisory	Existing TFOs are expected to provide data, information and advice to TA on facilities and need for additional, both at request of TA and at own initiative based on TFOs assessments of needs. TA may request Existing TFOs or other party (e.g. New TFO) to provide analysis and option work.
- functional specification	Overall	Service Providing	Existing TFOs to provide data to TA. TA may request Existing TFOs or other party (e.g. New TFO) to provide functional specification work.
- ownership decision	Overall	Modifications will be directly assigned to the Existing TFO unless the modifications are of such an extent as to cause a material change in functionality.	
- ownership process	Overall		
- detailed design		Overall	The existing TFO will be accountable for the detailed design.
- regulatory approval	Advisory	Overall	AEUB approval required, by the TFO
- construct & commission		Overall	Other parties may perform the function per se at direction of the TFO
- interconnection	Approve	Overall	
- operate and maintain	Advisory	Overall	By the TFO Per standards and guidelines

Table 5-2 (continued)

Function	Transmission Administrator	Existing Transmission Facility Owner	Other/Comment
Facility Maintenance			
- specify work required		Overall	
- schedule	Approve Long Term	Overall	Emergency work done at discretion of Existing TFO in co-ordination with System Controller. Real time approved by System Controller. Time frames to be determined by the System Controller and TA.
- system risk assessment	Overall	Advisory	The Existing TFO is expected to provide input to the TA on scheduling questions that might affect system risk.
- implement the schedule		Overall	System Controller approves in real time.
Operations Planning			There is an interaction between Operations Planning and each of the functional areas of Facility Maintenance, Facility Modification and Facility Addition. The System Controller and the Transmission Administrator are working collaboratively to define these interfaces and will be assisted by the TFOs.

5.3 Table 5-3 Non-Bulk System Accountabilities

(This table content is extremely faint and largely illegible in the provided image. It appears to be a continuation of the accountability matrix for non-bulk systems.)

Function	Transmission Administrator	Existing Transmission Facility Owner	Other/Comment
System Plan			
- facility characteristics	Overall	Service Providing	<p>TFO maintains the data and provides to TA when and as requested by the TA.</p> <p>Service provided is in the form of the TFO doing the work on behalf of the TA.</p>
- load and supply forecasts	Overall	Service Providing	<p>Discos provide data as requested. TFOs facilitate that effort.</p> <p>Service provided is in the form of the TFO doing the work on behalf of the TA.</p>
- consultation	Overall	Service Providing	<p>Consultation with customers and other stakeholders pertaining to their needs and review with customers of proposals.</p> <p>Service provided is in the form of the TFO doing the work on behalf of the TA. review with customers of proposals.</p>
- analysis and options	Overall	Service Providing	<p>Service provided is in the form of the TFO doing the work on behalf of the TA.</p>
- standards and guidelines (Includes design, operations: Joint operating.)	Overall	Monitor and Service Providing	<p>Note that this is within the standards framework for the Bulk system, set by the TA. TFO has need to influence standards and guidelines to maintain TF integrity.</p>
- plan preparation	Overall	Service Providing	<p>Service provided is in the form of the TFO doing the work on behalf of the TA.</p> <p>This is an iterative, interactive approach, involving the TA, TFOs and stakeholders.</p>
Identify Data and Information Requirements	Collateral	Collateral	<p>Both parties have a right of appeal to the dispute resolution mechanism to resolve data and information disputes.</p> <p>Continuous data flow is required.</p>

Table 5-3 (continued)

Function	Transmission Administrator	Existing, New Transmission Facility Owner	Other/Comment
Facility Addition			
- identify need	Overall	Advisory	Existing TFO to inform TA immediately of addition possibilities. Discos also to notify the TA. Size of addition requiring notification to be established by parties.
- decision on who shall do the initial analysis and options	Overall	Advisory	TA will determine whether the Existing TFO should provide the remaining functions; or whether the TA will perform these.
- analysis and options	Overall	Service Providing and Advisory	Existing TFOs are expected to provide data, information and advice to TA on facilities and need for additional, both at request of TA and at own initiative based on TFOs assessments of needs. TA may request Existing TFOs or other party (e.g. New TFO) to provide analysis and option work. Assumed that it would be the normal case to request the Existing TFO to perform this work.
- functional specification	Overall	Service Providing	Existing TFOs to provide data to TA. TA may request Existing TFOs or other party (e.g. New TFO) to provide functional specification work. Assumed that it would be the normal case to request the Existing TFO to perform this work.
- ownership decision	Overall	The ownership will be determined in accordance with the ownership guidelines (section 4).	
- ownership process	Overall		
- detailed design		Overall	The successful TFO will be accountable for the detailed design. This could be an Existing TFO or a New TFO.
- regulatory approval	Advisory	Overall	AEUB approval required, by the successful TFO (Existing or New).
- construct & commission		Overall	Others may perform the function at direction of the successful TFO
- interconnection	Approve	Overall	
- operate and maintain	Advisory	Overall	By the successful TFO (Existing or New) Per standards and guidelines

Table 5-3 (continued)

Function	Transmission Administrator	Existing, New Transmission Facility Owner	Other/Comment
Facility Modification			
- identify need	Approve	Overall	Provided by Existing TFO ; TA may also required modifications to the transmission facility.
- analysis and options	Advisory	Overall	Existing TFOs must perform the work within the standards established by the TA. TA may request Existing TFOs or other party (e.g. New TFO) to provide analysis and option work for TA required modifications.
- functional specification	Audit	Overall	Existing TFOs must perform the work within the standards established by the TA. TA may request Existing TFOs or other party (e.g. New TFO) to provide functional specification work for TA required modifications.
- ownership decision	Overall	Modifications to non-bulk transmission facilities will be directly assigned to the Existing TFO unless the modifications are of such an extent as to cause a material change in functionality	
- ownership process	Overall		
- detailed design		Overall	The existing TFO will be accountable for the detailed design.
- regulatory approval	Advisory	Overall	AEUB approval required, by the TFO
- construct & commission	Audit	Overall	Other parties may perform the function per se at direction of the TFO
- interconnection	Approve	Overall	
- operate and maintain	Advisory	Overall	By the TFO Per standards and guidelines

Table 5-3 (continued)

Function	Transmission Administrator	Existing Transmission Facility Owner	Other/Comment
Facility Maintenance			
- specify work required		Overall	
- schedule	Advisory	Overall	Emergency work done at discretion of Existing TFO in co-ordination with System Controller. Real time approved by System Controller. Time frames to be determined by the System Controller and TA.
- system risk assessment	Overall	Advisory	The Existing TFO is expected to provide input to the TA on scheduling questions that might affect system risk.
- implement the schedule		Overall	System Controller approves in real time.
			<p>Additional Points:</p> <ul style="list-style-type: none"> - where a "type fault" is found to exist in a piece of equipment that is used elsewhere in the transmission system, there is an expectation that the TFO would inform the TA and other TFOs.
Operations Planning			There is an interaction between Operations Planning and each of the functional areas of Facility Maintenance, Facility Modification and Facility Addition. The System Controller and the Transmission Administrator are working collaboratively to define these interfaces and will be assisted by the TFOs.

5.4 Table 5-4 Generation Addition Accountabilities

Function	Transmission Administrator	Existing Transmission Facility Owner	Other/Comment
Generation Facility Addition			
- application for system access service	Overall	Service Providing	TA is not obligated to share any data with TFO pertaining to generator possibility until decision to proceed is taken, or generator authorizes such interaction. Subject to confidentiality, TFO must immediately inform TA of any opportunities for generation that it becomes aware of.
- analysis and options for connection, including modeling, functional specifications	Overall Function may be performed by others under guidelines established by TA using TA provided data	Service Providing	Service is primarily data or information.
- preliminary design of connection	Overall Function may be performed by others under guidelines established by TA using TA provided data	Service Providing	Service is primarily data or information.
- ownership of connection	The ownership will be determined in accordance with the ownership guidelines (section 4).		
- detailed design of connection	Approve	Overall	
- interconnection	Approve	Overall	
- operate and maintain	Advisory	Overall	

6 Dispute Resolution

6.1 The transmission planning process will inevitably lead to disputes. While these Guidelines provide a basis for the parties to resolve many disputes, and while the parties must work in a collaborative, cooperative fashion, nonetheless some disputes will need to be resolved.

6.2 A mandatory dispute resolution system exists through legislation as embodied by the

AEUB. Utilization of the AEUB may be costly and time consuming. An alternate approach is suggested for specific disputes arising out of these Guidelines, including but not limited to:

- Information and data sharing requirements, including content and timing;
- Reasonableness of putting specific transmission facilities out for competition or for direct assignment.

6.3 The dispute resolution mechanism is binding arbitration using a single arbitrator. The arbitrator will be appointed for a fixed term to be available for this purpose as agreed from time to time by the Transmission Facility Owners and the Transmission Administrator, or if unable to agree, pursuant to the Alberta Arbitration Act then in force.

6.4 The arbitrator will be an industry expert. No liability would attach to the arbitrator for his/her decision.

Appendix A - Competitive and Direct Assignment Ownership Mechanics

Three options are possible for AEUB applications when using competitive ownership:

- **Cost of Service Regulation**
- **Regulation by Contract**
- **Merchant Facility**

All of these relate to the general competitive process model set out below:

TA → RFP → TA Evaluates → TFO selected → TFO

(prepares Functional Spec)

(makes AEUB application)

1. Cost of Service Regulation

- This is today's situation - anyone can submit an application to the AEUB.
- The TA can be an intervenor.
- The tariff is reviewed on an annually or biannually.
- There can be a #1(a) option wherein the approval is for more than one year, an incentive tariff.
- Generation construction as an alternative to transmission facilities would not be subject to cost of service regulation.

2. Regulation by Contract

- Contract is approved by the AEUB as an approved cost of the TA in the TA tariff.
- TA to be in support of the application if not the primary applicant [this is the usual RFP situation].

- TA would make the application pursuant to the deficiency regulation that binds future TA's to any contractual arrangements made by the AEUB.
- If the AEUB changes the contract, then TA and TFO won't have a contract without renegotiating it.
- Contract would include all terms, including operations and maintenance, future access to the facility, etc.

3. Merchant Facility

- Owner ends up with a relationship to the customer [could be the same party].
- May need an exemption from the Public Utilities Act [there will be no cost to Alberta customers].
- Sole customer or sole generator - they have the right to apply for and to own the transmission elements.
- Only occurs when the owner of the transmission line is the owner of the load.
 - Will not work if the owner of the merchant transmission facility is not the same as the owner of the load unless you have exemption (section 23). Only the TA can provide system access service without an exemption.
 - If a merchant facility needs to be utilized in the future to provide system access service the merchant facility will come under the purview of the EU Act and the TA.

Observations:

- Options #1 and #2 are mutually exclusive for a facility.
- Can Party A is the customer, and wants Party B to build, operate and maintain a transmission facility? TA indicates yes, with the exemption as set out in option #3. This moves the option from #3 to #1 - regulated service.

Notes pertaining to Direct Assignment

In the case of direct assignments, the following is the process for the AEUB application:

TA → Direct Assign to TFO → TFO makes AEUB application (TA and other affected parties evaluate and may

intervene)

(prepares Functional Spec)

Requirements for success for both Direct Assignment and Competitive Process:

- TA must **see** the information from the TFO in adequate time to do appropriate examination of proposed application.
- TFO must **disclose** adequate information for the TA to support the application.
- Requires a collaboration to ensure that intervention against is avoided.

Notes on the process with the AEUB:

- The AEUB is the regulator.
- TA participates in the public interest as an independent party.
- All affected parties participate in their own interest.

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