

(Consolidated up to 41/2024)

ALBERTA REGULATION 194/2018

Electric Utilities Act

SMALL SCALE GENERATION REGULATION

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Definitions

1 In this Regulation,

- (a) “CO₂e” means CO₂e as defined in the *Technology Innovation and Emissions Reduction Regulation*;
- (b) “community benefits agreement” means a legally binding contract in writing that
 - (i) is between a small scale power producer and a community group,
 - (ii) is in respect of a small scale generating unit, and
 - (iii) confers social, environmental or economic benefits to the community group;
- (c) “community benefits statement” means a statement in writing that
 - (i) is made by a small scale power producer that is a community group,

- (ii) is in respect of a small scale generating unit that is wholly owned by the community group, and
 - (iii) sets out the social, environmental or economic benefits that will be received by the community group;
- (d) “community generating unit” means a small scale generating unit that
- (i) is the subject of a community benefits agreement or a community benefits statement, and
 - (ii) has been qualified by the Commission under section 3;
- (e) “community group” means any of the following:
- (i) a co-operative incorporated under the *Cooperatives Act*;
 - (ii) a board as defined in the *Education Act*;
 - (iii) a board of a public post-secondary institution or a board of a private college operating under the *Post-secondary Learning Act*;
 - (iv) a band as defined in the *Indian Act* (Canada) that is located in Alberta;
 - (v) a settlement under the *Metis Settlements Act*;
 - (vi) a municipal authority as defined in the *Municipal Government Act*;
 - (vii) a society under the *Societies Act*;
 - (viii) an incorporated congregation or trustee incorporated under the *Religious Societies’ Land Act*;
 - (ix) an irrigation district as defined in the *Irrigation Districts Act*;
 - (x) an agricultural society referred to in section 1(c)(i) of the *Agricultural Societies Act*;
 - (xi) a condominium corporation under the *Condominium Property Act*;
 - (xii) a corporation under the *Business Corporations Act* that is a registered charity within the meaning of the *Income Tax Act* (Canada);

- (xiii) an association registered under Part 9 of the *Companies Act*;
- (xiv) an association as defined in the *Rural Utilities Act*;
- (f) “distribution owner”, in relation to a generating unit, means the owner of the electric distribution system for the service area in which the generating unit is located;
- (g) “eligible generating unit” means a generating unit that
 - (i) exclusively uses sources of renewable or alternative energy,
 - (ii) is or will be connected to an electric distribution system for the purpose of supplying electric energy,
 - (A) to the interconnected electric system, or
 - (B) within an isolated community,and
 - (iii) has a total nameplate capacity that will not exceed the electric distribution system hosting capacity at the interconnection point;
- (h) “facility” means one or more small scale generating units of a small scale power producer connected at a single interconnection point;
- (i) “ISO” means the Independent System Operator;
- (j) “ISO settlement period” means the settlement period established by the ISO rules;
- (k) “isolated community” means an isolated community within the meaning of the *Isolated Generating Units and Customer Choice Regulation* (AR 165/2003);
- (l) “renewable or alternative energy” means electric energy generated from
 - (i) products having current EcoLogo certification, or
 - (ii) solar, wind, hydro, fuel cell, geothermal, biomass or other generation sources, if the emissions intensity of
 - (A) the electric energy produced, or

- (B) the total energy produced from the simultaneous generation of electric energy and production of thermal energy from the same fuel source

is less than or equal to 418 kg CO₂e per MWh;

- (m) “small scale generating unit” means an eligible generating unit that has been qualified as a small scale generating unit under section 2;
- (n) “small scale power producer” means the owner of a small scale generating unit.

AR 194/2018 s1;81/2019;133/2019

Application to qualify as small scale generation

2(1) The owner of an eligible generating unit may apply to the distribution owner for the service area in which the generating unit is located for the generating unit to be qualified as a small scale generating unit under this Regulation.

(2) An application under subsection (1) must be in a form established by the Commission and must

- (a) include all the information required by the Commission, and
- (b) if the eligible generating unit is not yet connected to the distribution owner’s distribution system, specify the date on which the owner of the eligible generating unit proposes to connect to the electric distribution system to supply electric energy
- (i) to the interconnected electric system, or
- (ii) in the case of an eligible generating unit in an isolated community, to the distribution system.

(3) On receipt of an application under subsection (1), the distribution owner must

- (a) determine whether the eligible generating unit in the application qualifies as a small scale generating unit, and
- (b) within 30 days of receipt of the application, give the owner of the eligible generating unit, the ISO and the Commission
- (i) notice in writing that the generating unit is qualified as a small scale generating unit, or

- (ii) a notice of dispute in a form established by the Commission, including all information required by the Commission.

(4) On receipt of a notice of dispute, the Commission must, within 30 days,

- (a) determine whether the eligible generating unit in the notice qualifies as a small scale generating unit, and
- (b) communicate its decision to the owner of the eligible generating unit, the ISO and the distribution owner.

(5) The decision of the Commission under subsection (4) is final and is not subject to appeal.

(6) A small scale power producer who intends to increase the total nameplate capacity of the small scale power producer's facility by adding another eligible generating unit to the facility must make an application to the distribution owner in respect of that eligible generating unit in accordance with this section.

AR 194/2018 s2;41/2024

Application to qualify as community generation

3(1) A small scale power producer who owns a small scale generating unit that is the subject of a community benefits agreement or a community benefits statement may apply to the Commission to have it qualified as a community generating unit under this Regulation.

(2) An application under subsection (1) must be in a form established by the Commission and must include

- (a) the community benefits agreement or community benefits statement that applies to the small scale generating unit, and
- (b) any other information required by the Commission.

(3) The Commission must, in accordance with the applicable rules established by the Commission, on receipt of the application under subsection (1) and the information under subsection (2),

- (a) determine whether the small scale generating unit in the application qualifies as a community generating unit,
- (b) if it is qualified, determine the amount that the distribution owner should be compensated for in relation to the costs incurred under section 5(2)(a) or (3)(a)(i),

- (c) give notice to the owner of the small scale generating unit, the ISO and the applicable distribution owner that the small scale generating unit is or is not qualified as a community generating unit, and
 - (d) give notice of any determination under clause (b) to the ISO and the applicable distribution owner.
- (4)** A decision of the Commission under subsection (3) is final and is not subject to appeal.

AR 194/2018 s3;41/2024

Connection and metering

- 4(1)** Following a determination under section 2 that an eligible generating unit qualifies as a small scale generating unit, the distribution owner must within a reasonable time
- (a) connect the small scale generating unit to the distribution owner's distribution system, if the generating unit is not already connected, and
 - (b) ensure that a meter suitable for the nameplate capacity of the small scale generating unit is installed at the interconnection point.
- (2)** A distribution owner must
- (a) provide metering services for small scale generating units within its service area, and
 - (b) ensure that the meter data manager provides meter data in respect of small scale generating units to service providers, load settlement agents and the ISO.

AR 194/2018 s4;41/2024

Costs of connection, metering and operation

- 5(1)** A small scale power producer is responsible for
- (a) all costs of connecting the small scale generating unit including
 - (i) the cost of purchase and installation of the meter that may be required,
 - (ii) the costs of any electric energy transfer facilities that may be required in order to effect the connection, and

(iii) any other costs incurred by the distribution owner that may be required to enable the small scale generating unit to supply electric energy

(A) to the interconnected electric system, or

(B) within an isolated community;

(b) the costs incurred by the distribution owner under section 4(2), and

(c) all costs of operation of the small scale generating unit, including the costs of complying with applicable laws.

(2) Notwithstanding subsection (1), if the small scale generating unit is a community generating unit that is not within an isolated community

(a) the distribution owner must purchase the meter that is installed under section 4(1)(b) for the community generating unit, to a maximum of one meter per facility, and

(b) the ISO must

(i) compensate the distribution owner for the amount determined by the Commission under section 3(3)(b), and

(ii) recover the amount in subclause (i) through the applicable ISO tariff or ISO fee, as approved by the Commission.

(3) Notwithstanding subsection (1), if the small scale generating unit is a community generating unit that is located within an isolated community,

(a) the distribution owner

(i) must purchase the meter that is installed under section 4(1)(b) for the community generating unit, to a maximum of one meter per facility, and

(ii) is responsible for the cost of system reliability upgrades that may be required to supply electric energy from the community generating unit to the distribution system,

and

(b) the ISO must

- (i) compensate the distribution owner for the amount determined by the Commission under section 3(3)(b), and
- (ii) recover the amount in subclause (i) through the applicable ISO tariff or ISO fee, as approved by the Commission.

Deemed offer of zero cents

6(1) A small scale generating unit is deemed to have a standing offer of zero dollars per megawatt hour for the electric energy offered to the power pool from the small scale generating unit.

(2) A small scale generating unit in an isolated community is deemed to have a standing offer of zero dollars per megawatt hour for the electric energy supplied from the small scale generating unit, as if it was offered to the power pool.

Exchange and settlement duties and costs

7(1) Unless a small scale power producer requests otherwise in writing, the ISO

- (a) must act as the electricity market participant on behalf of the small scale power producer in respect of the electric energy supplied by the small scale power producer's small scale generating unit
 - (i) to the interconnected electric system, or
 - (ii) to the distribution system, in the case of a small scale generating unit that is connected to the distribution system within an isolated community,

and

- (b) unless the small scale generating unit is located within an isolated community, is responsible for exchanging, including dispatching and matters relating to financial settlement, through the power pool the electric energy produced by the small scale power producer's small scale generating unit that enters the interconnected electric system.

(2) If a small scale generating unit is located within an isolated community, the distribution owner for that service area

- (a) is responsible for exchanging, including dispatching, the electric energy produced by the small scale generating unit that enters the distribution system, and

(b) must submit to the ISO on a monthly basis the hourly metering data for the electric energy produced by the small scale generating unit that enters the distribution system.

(3) Each month the ISO shall pay an amount to the small scale power producer for electric energy supplied by the small scale power producer's small scale generating unit at the hourly pool price for each hour in the previous ISO settlement period.

(4) For the purposes of section 16(2)(b) of the Act, section 3 of the *Fair, Efficient and Open Competition Regulation* (AR 159/2009) applies to the ISO

(a) when the ISO is required to act as an electricity market participant on behalf of a small scale power producer under this section, and

(b) to the extent that the ISO is or will be acting in the capacity of an electricity market participant on behalf of a small scale power producer.

AR 194/2018 s7;56/2019;143/2019;41/2024

Small scale generating unit not isolated generating unit

8(1) A small scale generating unit that is within an isolated community may not be designated by the Commission under section 27.1(3) of the *Isolated Generating Units and Customer Choice Regulation* (AR 165/2003) as an isolated generating unit.

(2) Costs incurred by the distribution owner under sections 5(3)(a)(ii) and 7(2) are costs associated with providing electric energy to customers in the isolated community under section 2(b) of the *Isolated Generating Units and Customer Choice Regulation* (AR 165/2003).

Change to small scale generating unit

9(1) A small scale power producer who intends to make any changes to the small scale power producer's small scale generating unit shall provide to the applicable distribution owner a notice to that effect, in a form established by the Commission.

(2) On request from the applicable distribution owner, a small scale power producer must provide sufficient information to enable the distribution owner to determine if the small scale power producer's small scale generating unit continues to be a small scale generating unit or will continue to be a small scale generating unit after making a change.

(3) If a distribution owner, on receipt of a notice under subsection (1) or information under subsection (2), is of the opinion that the small scale power producer's small scale generating unit has ceased to be an eligible generating unit or will cease to be an eligible generating unit after the change, the distribution owner may, within 30 days of receipt of the notice or information from the small scale power producer and on notice in writing to the small scale power producer, file with the Commission a notice of dispute in a form established by the Commission and including all information required by the Commission.

(4) The Commission, on receipt of a notice of dispute under subsection (3), must, within 30 days or such longer period as the Commission, on notice to the distribution owner and the small scale power producer, considers necessary,

- (a) determine whether the small scale power producer's small scale generating unit continues, or will continue to be, a small scale generating unit after the change, and
- (b) communicate its decision to the small scale power producer, the ISO and the distribution owner.

(5) The decision of the Commission under subsection (4) is final and is not subject to appeal.

AR 194/2018 s9;41/2024

Change to community generating unit

10(1) The owner of a community generating unit must provide notice to the Commission in a form established by the Commission of any changes that may make the community generating unit cease to be a community generating unit, including, without limitation, changes to

- (a) the owner's community generating unit,
- (b) the owner's community benefits agreement or community benefits statement,
- (c) the status of the community group named in the community benefits agreement or community benefits statement or
- (d) the benefits received by the community group under the community benefits agreement or community benefits statement.

(2) An applicable distribution owner that is aware of any changes described in subsection (1) must provide notice to the Commission in a form established by the Commission.

(3) The Commission, on receipt of a notice under subsection (1) or (2), must, within 30 days or such longer period as the Commission, on notice to the owner of the community generating unit, considers necessary,

- (a) determine if the owner's community generating unit continues to be a community generating unit, and
- (b) communicate its decision to the owner of the community generating unit, the ISO and the distribution owner.

(4) The decision of the Commission under subsection (3) is final and is not subject to appeal.

AR 194/2018 s10;41/2024

Transitional

10.1(1) In this section,

- (a) "existing small scale generating unit" means an eligible generating unit that qualified as a small scale generating unit before the coming into force of this section;
- (b) "former regulation" means the *Small Scale Generation Regulation* (AR 194/2018) as it read immediately before the coming into force of this section.

(2) Where an application had been made for the qualification of an eligible generating unit as a small scale generating unit under section 2(1), but had not been decided on before the coming into force of this section, the application shall continue and be dealt with in accordance with this Regulation.

(3) Where an application had been made for

- (a) an increase of the total nameplate capacity of a small scale power producer's facility under section 2(6), or
- (b) the qualification of a small scale generating unit as a community generating unit under section 3(1)

but had not been decided on before the coming into force of this section, the application shall continue and be dealt with in accordance with the former regulation.

(4) Notwithstanding section 7(1), the Balancing Pool shall continue to act as the electricity market participant on behalf of a small scale power producer in respect of electric energy supplied by any existing small scale generating units owned by the small scale power producer, in accordance with the former regulation, until September 30, 2024.

(5) Notwithstanding subsection (4), on the coming into force of this section the ISO may apply to the Commission under section 3(3) of the *Fair, Efficient and Open Competition Regulation* (AR 159/2009) for an order permitting the sharing of records on any terms and conditions the Commission considers appropriate with respect to any small scale power producer for which the ISO will be acting on behalf of as the electricity market participant after September 30, 2024.

(6) Notwithstanding section 7(3), the Balancing Pool shall continue to pay any amounts owing to a small scale power producer for electric energy supplied by any existing small scale generating units owned by the small scale power producer on or before September 30, 2024 at the hourly pool price for each hour in the previous ISO settlement period in accordance with the former regulation.

(7) Section 7(4) of the former regulation will continue to apply with respect to any amounts the Balancing Pool pays out under subsection (6).

(8) Where a notice had been provided for changes to

- (a) a small scale generating unit under section 9(1), or
- (b) a community generating unit under section 10(1) or (2)

but for which the notice had not been decided on before the coming into force of this section, the notice shall be considered and dealt with in accordance with the former regulation.

AR 41/2024 s8

Coming into force

11 This Regulation comes into force on January 1, 2019.