

Alberta Market Surveillance Administrator issues notice of investigation to Balancing Pool

September 22, 2020

On Sept. 2, 2020, the Market Surveillance Administrator (MSA) announced it was initiating an investigation into the bidding practices of the Balancing Pool (BP) under section 42(1)(b) of the *Alberta Utilities Commission Act*. The investigation focuses on the Balancing Pool's conduct in relation to potential breaches of the *Electric Utilities Act*, including sections 6 and 85, the *Fair, Efficient and Open Competition Regulation*, and the Settlement Agreement between the MSA and Balancing Pool that was approved by the Alberta Utilities Commission on Jan. 14, 2020. This investigation relates to the remaining power purchase agreements (PPAs) for which the BP still has offer control and follows an earlier MSA investigation into the BP's bidding practices. The prior investigation resulted in a settlement agreement between the BP and the MSA that was ultimately approved by the Alberta Utilities Commission.

The current investigation will be interesting for the market as it appears to have been prompted by COVID-19 and oil price impact. Some power companies have elected to shut down their generating units and most, if not all, have sought to reduce operating costs. There are legal and regulatory frameworks for the Balancing Pool's ability to coordinate a shutdown with the PPA units' owners and operators. Given market impacts and the uncertainties of COVID-19 on the industry, it remains to be seen how the investigation will unfold and whether there will be further MSA activity.

Stay tuned to this page for more updates on this topic.

By

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