

Information Documents are not authoritative. Information Documents are for information purposes only and are intended to provide guidance. In the event of any discrepancy between an Information Document and any Authoritative Document(s)¹ in effect, the Authoritative Document(s) governs.

1 Purpose

This Information Document relates to the following Authoritative Document:

- Section 207.3 of the ISO rules, *Shape of Demand Curve* (“Section 207.3”).

The purpose of this Information Document is to provide market participants with information on the development of the demand curve.

2 Preliminary and Final Demand Curve

The AESO will develop and release a preliminary demand curve to inform capacity market participants of the size and pricing expectation for the applicable auctions and provide capacity market participants with information to support their auction decisions (including qualification, delisting, and offer expectations).

The preliminary demand curve will include a preliminary estimate of the net minimum procurement volume as well as the adjusted net-CONE that sets the pricing levels of the demand curve for the applicable auction.

The values defining the shape of the final demand curve will be similar to the preliminary demand curve. The only adjustments will focus on updated values to represent the final net minimum procurement volume.

The preliminary demand curve will be included in the *Capacity Market Auction Guidelines* for the relevant base auction or rebalancing auction. At this time, the AESO expects to publish the final demand curve after final uniform capacity values have been assigned in accordance with Section 206.3 of the ISO rules, *Uniform Capacity Value Determination*. The AESO will release further details on the form and timing for the publication of the final demand curve at a later date.

3 Preliminary and Final Net Minimum Procurement Volume

The net minimum procurement volume in the preliminary demand curve will be based on preliminary information related to qualification, uniform capacity values, and self-supply designation for each asset modelled in the probabilistic model described in Section 207.1 of the ISO rules, *Gross Minimum Procurement Volume*.

After the assignment of final uniform capacity values (as per Rule 206.3, *Uniform Capacity Value Determination* Subsection 9(2)) and confirmation of self-supply designations (as per Rule 206.2, *Self-Supply*), the final net minimum procurement volume will be released in the final demand curve. The final net minimum procurement volume, expressed in MW, is the sum of the final uniform capacity values for every asset modelled in the probabilistic model assigned by the AESO for the relevant obligation period.

In accordance with Section 206.2 of the ISO rules, *Self-Supply Configurations* a site must self-supply capacity if it is metered such that electric energy from an onsite generating unit or aggregated generating facility can flow to the load asset without being measured by a meter that is part of the interconnected electric system. The methodology for calculating a uniform capacity value for a self-supply site represents the net output to the interconnected electric system and the self-supply load is accounted for in that uniform capacity value. The final demand curve is, therefore, representative of the minimum procurement volume net of load that is served by self-supply and ineligible assets.

The AESO will provide aggregated information of the uniform capacity values used in this translation. If

¹ “Authoritative Documents” is the general name given by the AESO to categories of documents made by the AESO under the authority of the *Electric Utilities Act* and associated regulations, and that contain binding legal requirements for either market participants or the AESO, or both. AESO Authoritative Documents include: the ISO rules, the Alberta reliability standards, and the ISO tariff.

for some reason a final asset specific uniform capacity value is not available at the time the AESO is establishing the final demand curve, the AESO will use the most recent estimate, the value from the previous auction or a class average.

4 Adjustments to Net-CONE

The adjusted net-CONE value released in the preliminary demand curve will be the same value used for the final demand curve. No further adjustment will be made between preliminary and final demand curve for the same obligation period.

The AESO adjusts the net-CONE value (as per Rule 207.2, *Calculation of Net-Cone*) by dividing it by 0.8 to take into account the performance factor typical of an aeroderivative simple cycle plant. This ensures that the net-CONE value is assessed over the amount of eligible capacity for the reference aeroderivative power plant. The 0.8 value is an estimate of the class average of performance factors for Alberta aeroderivatives.

The adjusted net-CONE value will be expressed in \$/kW.

5 Adjustments between Base and Rebalancing Auctions

Rule 207.1, *Gross Minimum Procurement Volume*, 207.2, *Calculation of Net-CONE* and 207.3, *Shape of Demand Curve* together define the process for estimating the net minimum procurement volume and adjusted net-CONE value. The initial adjusted net-CONE value for each obligation period will remain unchanged for each base auction and rebalancing auction. The gross and net minimum procurement volume will be adjusted between the base auction and each rebalancing auction in accordance with the methodology in Section 207.1 of the ISO rules, *Gross Minimum Procurement Volume* based on updated information.

6 Applicability

That applicability of the rules to each auction are set to ensure that the rules for the base auction continue to apply for the applicable rebalancing auctions of that obligation period.

Revision History

Posting Date	Description of Changes
	Initial release