

# Appendix 1 – List of ISO Rules for the Implementation of the Capacity Market



Rule	Purpose of proposed rule or rule amendment
Section 103.2, <i>Dispute Resolution</i>	The purpose of this proposed amendment is to clarify that the rule does not apply to expedited disputes described under the Capacity Market Regulation.
Section 103.3, <i>Financial Security Requirements</i>	The purpose of the proposed amendments is to include the security requirements of proposed Section 103.11, <i>Capacity Market Financial Security Requirements</i> into the total financial obligations of an electricity market participant and other minor administrative amendments.
Section 103.9, <i>Capacity Market Financial Settlement</i>	The purpose of this proposed rule is to establish the process and calculations for financial settlement of the capacity market.
Section 103.10, <i>Capacity Award Calculation</i>	The purpose of this proposed rule is to establish a formula to determine the monthly capacity payment for an asset.
Section 103.11, <i>Capacity Market Financial Security Requirements</i>	The purpose of this proposed rule is to define the security requirements for new, incremental, refurbished and existing capacity.
Section 201.1, <i>Pool Participant Registration</i>	The purpose of the proposed amendments is to allow a pool participant to aggregate load pool assets for the purpose of offering in the energy market and other minor administrative amendments.
Section 201.3, <i>Energy Market Offer Control Information</i>	The purpose of the proposed amendment is to allow offer control information to be used in the market power screen under the energy market mitigation framework in proposed Section 203.5, <i>Energy Market Mitigation</i> (prior to an effective settlement interval). In addition, pool participants will be required to submit any and all associates of a market participant as it relates to the offer control information.

<p>Section 201.5, <i>Block Allocation</i></p>	<p>The purpose of the proposed amendments is to facilitate priced imports, priced exports, load assets, and 1-5 MW generating source assets.</p>
<p>Section 201.6, <i>Energy Market Pricing</i></p>	<p>The purpose of the proposed amendments is to clarify the “reference price” as the “transmission must-run reference price” and to allow import and export assets to set the system marginal price.</p>
<p>Section 201.7, <i>Dispatches</i></p>	<p>The purpose of the proposed amendments is to require acknowledgment of a dispatch within two minutes for interchange transactions for the purpose of consistency with all other dispatchable assets.</p>
<p>Section 201.10, <i>Capacity Market Participant Registration</i></p>	<p>The purpose of this proposed rule is to:</p> <ul style="list-style-type: none"> <li>- require a new entrant and, in respect of existing assets over 1 MW, a pool participant to register a single party as the capacity market participant who will have all the rights and obligations in the capacity market;</li> <li>- require the ISO to maintain and publish a list of capacity market participants, and any associated agents, for each asset that is in the capacity market; and</li> <li>- outline the administrative requirements respecting capacity market participant registration and liability.</li> </ul>
<p>Section 201.11, <i>Appointment of an Agent for the Capacity Market</i></p>	<p>The purpose of this proposed rule is to describe the process for a capacity market participant to appoint an agent to act on behalf of the participant in the capacity market.</p>
<p>Section 201.12, <i>Capacity Market Block Allocation</i></p>	<p>The purpose of this proposed rule is to establish a unique identifier for each capacity market asset and capacity block allocations for offers and bids for assets.</p>
<p>Section 201.13, <i>Capacity Market Clearing</i></p>	<p>The purpose of this proposed rule is to establish how the ISO must set the clearing price of a base or rebalancing auction.</p>
<p>Section 201.14, <i>Capacity Market Offer Control Information</i></p>	<p>The purpose of this proposed rule is to describe the requirements of a capacity market participant to declare offer control they or their affiliates have</p>

	for capacity assets and to reflect that offer control information in their capacity market offers.
Section 201.15, <i>Delisting</i>	The purpose of this proposed rule is to establish the requirements for market participants and the ISO when a market participant wishes to temporarily or permanently remove an asset from the capacity and energy markets for economic or physical reasons.
Section 202.3, <i>Issuing Dispatches for Equal Prices</i>	The purpose of the proposed amendment is to provide an order for the AESO to issue dispatches to equally priced operating blocks from both source and sink assets when operating the energy market.
Section 202.5, <i>Supply Surplus</i>	The purpose of the proposed amendment is to provide an order for the AESO to apply in issuing dispatches to operating blocks from both source and sink assets when operating the energy market during an event of supply surplus.
Section 202.6, <i>Adequacy of Supply</i>	The purpose of the proposed amendments is to expand the application of the rule to accommodate the participation of capacity committed load and 1-5 MW generating source assets in the electricity market and to capture delist outages in accordance with proposed Section 201.15, <i>Delisting</i> . The proposed amendments also allow for the replacement of the long-term adequacy metrics and reporting with the resource adequacy standard.
Section 202.7, <i>Markets Suspension or Limited Markets</i>	The purpose of the proposed amendments is to clarify the “reference price” as the “transmission must-run reference price”.
Section 203.1, <i>Offers and Bids for Energy</i>	<p>The purpose of the proposed amendments is to establish the “must-offer” and “may-offer” requirements for import assets, export assets, load assets, and 1-5 MW generating source assets.</p> <p>Amendments are proposed to the definition of “offer” to clarify that an offer may be set either by the pool participant’s submission in ETS, or as updated to reflect energy market mitigation as outlined in proposed Section 203.5, <i>Energy</i></p>

	<p><i>Market Mitigation.</i></p> <p>Amendments are proposed to the acceptable operational reason definition (subsection (viii)) for the purpose of allowing a capacity committed load a must-offer obligation only up to their capacity commitment, while allowing submissions of offers up to the asset's maximum capability, which facilitates the flexibility for a guaranteed load reduction asset over-availability performance in the capacity market.</p> <p>In addition, to contemplate priced interchange, subsection (iv) of the acceptable operational reason definition is proposed to be amended to limit restatements only for transmission limitations not imposed by the AESO. This would no longer require restatements by participants when the AESO reduces interchange transactions due to a limit exceedance, such that if an Alberta limit is subsequently increased in a settlement interval, the interchange volume will return to the merit order. For the purposes of the capacity market, in circumstances where Alberta limits have been imposed, delivery assessments will reflect the volume of the offer, and not the e-tag volumes.</p> <p>In addition, the acceptable operational reason definition is proposed to be amended to include subsection (vii), which enables the re-positioning of an asset in response to a distribution constraint or a transmission outage that results in electrical disconnection. This allows pool participants to accurately represent a generating source asset's available capability in these circumstances, which is aligned to performance and availability assessments for the capacity market.</p>
<p>Section 203.2, <i>Issuing Dispatches for Energy</i></p>	<p>The purpose of the proposed amendments is to capture priced imports and exports in the energy market merit order and limitations imposed by proposed Section 303.2, <i>Available Transfer Capability</i>.</p>
<p>Section 203.3, <i>Energy Restatements</i></p>	<p>The purpose of the proposed amendments is to capture restatement requirements for load assets that offer in the energy market and priced import assets.</p>

<p>Section 203.4, <i>Delivery Requirements for Energy</i></p>	<p>The purpose of the proposed amendments is to capture delivery requirements for load assets that offer in the energy market.</p>
<p>Section 203.5, <i>Energy Market Mitigation</i></p>	<p>The purpose of the proposed rule is to identify and mitigate the risk that energy suppliers that have market power could manipulate pool price by offering energy non-competitively.</p>
<p>Section 203.6, <i>Market Requirements for Interchange Transactions</i></p>	<p>The purpose of the proposed amendments is to move the requirements applicable to the calculation of available transfer capability, and AESO operation of the intertie paths to Section 303.2, <i>Available Transfer Capability</i> and Section 303.3, <i>Intertie Path Operations</i>.</p>
<p>Section 204.2, <i>Issuing Dispatches for Dispatch Down Service</i></p>	<p>The purpose of the proposed amendments is to clarify the term “reference price” to be “transmission must-run reference price”.</p>
<p>Section 206.1, <i>Qualification of Capacity</i></p>	<p>The purpose of this proposed rule is to set out the criteria that new entrants (i.e., “new capacity”), and existing assets that wish to provide incremental or refurbished capacity, are required to meet in order to enter the capacity market, and to outline the application process for entering the capacity market.</p>
<p>Section 206.2, <i>Self-Supply Configurations</i></p>	<p>The purpose of this proposed rule is to establish how the AESO will integrate sites that self-supply into the capacity market.</p>
<p>Section 206.3, <i>Uniform Capacity Value Determination</i></p>	<p>The purpose of this proposed rule is to establish how the AESO will standardize and determine the supply adequacy product, or uniform capacity value (“UCAP”), for each type of capacity asset that is qualified to offer and bid into capacity auctions.</p>
<p>Section 206.4, <i>Offers and Bids for Capacity</i></p>	<p>The purpose of this proposed rule is to establish:</p> <ul style="list-style-type: none"> <li>- the obligations requiring capacity market participants to offer the uniform capacity value in the base and rebalancing auctions;</li> <li>- designation of block flexibility or</li> </ul>

	<p>inflexibility;</p> <ul style="list-style-type: none"> <li>- the options available to a capacity market participant with respect to offers for refurbished capacity;</li> <li>- the options for a capacity market participant to submit discretionary and obligatory bids in rebalancing auctions; and</li> <li>- that the ISO will set the offering window and offer submission methods for the base and rebalancing auctions.</li> </ul>
<p>Section 206.5, <i>Forward Period Milestone Assessment</i></p>	<p>The purpose of this proposed rule is to establish:</p> <ul style="list-style-type: none"> <li>- the critical milestones by which the AESO will assess new, incremental, and refurbished capacity assets; and</li> <li>- visibility of the development of new, incremental, and refurbished capacity assets.</li> </ul>
<p>Section 206.6, <i>Base Auction and Rebalancing Auction</i></p>	<p>The purpose of this proposed rule is to establish:</p> <ul style="list-style-type: none"> <li>- the timelines for the base and rebalancing auctions;</li> <li>- the format of the capacity auction (sealed bid, single round); and</li> <li>- the publication requirements of capacity market auction guidelines and the auction results.</li> </ul>
<p>Section 206.7, <i>Capacity Market Mitigation</i></p>	<p>The purpose of this proposed rule is to:</p> <ul style="list-style-type: none"> <li>- establish the ex-ante market power mitigation framework within the capacity market;</li> <li>- outline the methodology for determining portfolio sizes subject to mitigation;</li> <li>- establish the market wide default offer cap applied to existing assets of mitigated firms; and</li> <li>- establish a process to allow a capacity market participant that is subject to offer mitigation to request an avoidable cost based asset specific offer cap for assets for which costs can be demonstrated to exceed the default offer cap.</li> </ul>
<p>Section 206.8, <i>Obligation Period Performance Assessments</i></p> <p>Section 206.9, <i>Asset Substitution</i></p> <p>Section 206.10, <i>Volume Reallocation</i></p>	<p>The purpose of these proposed rules is to describe how performance relative to capacity obligations will be measured and to describe the financial framework that will incent capacity asset availability performance during tight supply cushion hours and delivery performance during energy emergency alerts. Measurement of asset</p>

	<p>performance during these events will have financial implications for assets with capacity obligations through the implementation of unavailability payment adjustments for negative availability assessment volumes, over-availability payment adjustments for positive availability assessment volumes, non-delivery payment adjustments, and over-delivery payment adjustments.</p>
<p>Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i></p>	<p>The purpose of this proposed rule is to establish the requirements of the ISO to calculate the energy and ancillary services offset for assets for market participants that have requested an asset specific offer cap or have submitted a request to economically delist an asset.</p>
<p>Section 207.1, <i>Procurement Volume</i></p>	<p>The purpose of this proposed rule is to establish how the AESO determines the gross minimum procurement volume for each base auction and rebalancing auction so as to ensure the resource adequacy standard is achieved.</p>
<p>Section 207.2, <i>Calculation of net-CONE</i></p>	<p>The purpose of this proposed rule is to establish how the AESO determines the net-CONE for each obligation period so as to ensure the resource adequacy standard is achieved while ensuring that new assets are attracted to enter the market when appropriate price signals are present.</p>
<p>Section 207.3, <i>Shape of Demand Curve</i></p>	<p>The purpose of this proposed rule is to establish how the demand curves used for each base auction and rebalancing auction are to be determined by the AESO so as to ensure the resource adequacy standard is achieved at a reasonable cost to consumers while ensuring that new assets are attracted to enter the market when appropriate price signals are present.</p>
<p>Section 301.2, <i>ISO Directives</i></p>	<p>The purpose of the amendment is to incorporate load assets.</p>
<p>Section 302.1, <i>Real Time Transmission Constraint Management</i></p>	<p>The purpose of the proposed amendments is to amend the term “transmission constraint” to “transmission market constraint” and to make</p>

	<p>minor administrative amendments.</p> <p>The definition “transmission constraint” is proposed to be amended to “transmission market constraint” to clarify the circumstances under which the AESO follows the procedure under Section 302.1.</p>
<p>Section 303.1, <i>Load Shed Service</i></p>	<p>The purpose of the proposed amendment is to provide flexibility for the AESO to modify load shed service arming during a scheduling hour, as required when dispatching priced imports and exports intra-hour.</p>
<p>Section 303.2, <i>Available Transfer Capability Allocation</i></p>	<p>The purpose of the proposed rule is to set out the requirements for the AESO in calculating the total transfer capability and available capability limits across intertie paths connecting the Alberta interconnected electric system to other jurisdictions and determine allocations for each individual transfer path.</p> <p>The proposed rule consists of the current requirements in existing Section 203.6, <i>Market Requirements for Interchange Transactions</i> subsections 2, 3, 4(1), and 10. Any amendments to these existing requirements are administrative in nature.</p>
<p>Section 303.3, <i>Intertie Path Operation</i></p>	<p>The purpose of the proposed rule is to set out the requirements for the AESO in in operating and managing available capability limits across intertie paths connecting the Alberta interconnected electric system to other jurisdictions.</p> <p>The proposed rule consists of the current requirements in existing Section 203.6, <i>Market Requirements for Interchange Transactions</i> subsections 8, 9 and 11. The purpose of the proposed amendments to the existing requirements from Section 203.6, <i>Market Requirements for Interchange Transactions</i> is to:</p> <ul style="list-style-type: none"> <li>- allow changes to the interchange schedule as a result of a dispatch or directive for energy or ancillary services;</li> <li>- include a procedural step to dispatch in reverse merit order when conducting path limit management; and</li> </ul>



	<ul style="list-style-type: none"> <li>- apply the path limit management procedure in reverse order if the transfer path limits subsequently increase within a settlement interval.</li> </ul>
Section 304.9, <i>Wind and Solar Aggregated Generating Facilities</i>	The purpose of the proposed amendments is to make minor administrative amendments and to expand the applicability to include wind or solar aggregated generating facilities associated with offers in the electricity market.
Section 306.3, <i>Load Planned Outage Reporting</i>	The purpose of the proposed amendments is to make minor administrative amendments associated with load assets offering in the energy market.
Section 306.4, <i>Transmission Planned Outage Reporting</i>	The purpose of the proposed amendments is to extend the requirement for legal owners of transmission facilities to submit schedules of significant planned outages from 24 months to 48 months.
Section 306.5, <i>Generation Outage Reporting</i>	The purpose of the proposed amendments is to make administrative amendments, revise applicability to include any generators that submit offers in the energy market, provide clarity on outage reporting requirements for 1-5 MW generators, and to extend the requirement for pool participants with a generating sources asset to submit schedules of planned outages from 24 months to 48 months.
Section 306.7, <i>Mothball Outage Reporting</i>	The purpose of the proposed removal of this rule is that it will be replaced by the requirements of proposed Section 201.15, <i>Delisting</i> .
Section 306.8, <i>Load Asset with a Capacity Commitment Outage Reporting and Coordination</i>	The purpose of the proposed rule is to ensure that pool participants with load assets with a capacity commitment submit the appropriate information and notices to the AESO for load outages that impact the load asset's available capability.
Section 306.9, <i>Outage Cancellation Procedures</i>	The purpose of the proposed rule is to establish procedures for the AESO to follow where it determines that an outage cancellation is required to maintain the necessary level of reliability or adequacy of the interconnected electric system,

	<p>and to enable the AESO to issue a directive cancelling an outage where there is a high probability that the situation will not be alleviated in a voluntary manner.</p> <p>The proposed rule includes delist outages and establishes an outage cancellation order to account for capacity committed assets and delist outages.</p> <p>The definition of “incremental generation costs” is proposed to be amended to include delist outages.</p>
<p>Section 502.8, <i>SCADA Technical and Operating Requirements</i></p>	<p>The purpose of the proposed amendments is to apply the SCADA requirements to generating source assets and load assets that offer in the energy market. In addition, administrative changes for additional clarity were added in the appendices of the Rule.</p>