

# ISO Rules

## Part 200 Markets

### Division 201 General

#### Section 201.10 Capacity Market Participant Registration



External Consultation Draft  
August 31, 2018

#### Applicability

- 1 Section 201.10 applies to:
  - (a) a **person** with an asset that the **ISO** has qualified pursuant to Section ~~201.10~~206.1 of the **ISO rules**, *Qualification of Capacity*;
  - (b) a **pool participant** with a **generating unit, aggregated generating facility or energy storage facility** ~~an~~with a **maximum capability** equal to or greater than 1 MW, unless such **generating unit, or aggregated generating facility or energy storage facility** is the subject of a renewable electricity support agreement in connection with rounds 1, 2 or 3 of the Renewable Electricity Program;
  - (c) a **capacity market participant**; and
  - (d) a legal owner of an asset in the capacity market;
  - (e) the **ISO**.

#### Requirements

##### Capacity Market Participant

- 2 Each **person** or **pool participant** must register a **capacity market participant** in the manner the **ISO** specifies.

##### ISO Requirement to Maintain Lists

- 3 The **ISO** must maintain and make available on the AESO website, one or more lists containing up to date information on the **capacity market participant**, any **agents** and associated assets.

##### Capacity Market Participant Updates

- 4 A **capacity market participant** must, if it is on the **ISO's** list set out in subsection 3, provide updated information, as soon as reasonably practicable, regarding its **capacity market participant** registration, its **agents** and any asset listed opposite the **capacity market participant** on the **ISO's** list.

##### Timely Information from Legal Owner

- 5 A legal owner of an asset that is on the ISO list set out in subsection 3 must, if it is not the capacity market participant for that asset provide such timely and complete information to the capacity market participant for such asset to enable the capacity market participant to comply with its obligations under the ISO rules.

##### Termination of Capacity Market Participant

- 56 The **ISO** may terminate a **capacity market participant** registration if the **capacity market participant** retires all assets listed opposite the **capacity market participant** on the **ISO** list.

##### Liability of Capacity Market Participant

- 67 A **capacity market participant** that is or may become liable under the **ISO rules** in connection with its activities as a **capacity market participant** remains liable after the date of retirement of its associated asset ~~and~~ despite ceasing to be a **capacity market participant**.

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## Revision History

Date	Description
yyyy-mm-dd	Initial release

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### Division 201 General

#### Section 201.13 Capacity Market Clearing



External Consultation Draft  
August 31, 2018

#### Applicability

- 1 Section 201.13 applies to:
- (a) the **ISO**.

#### Requirements

##### Auction Clearing

**2(1)** The **ISO** must use a clearing process that clears **offers** and **bids**, as applicable, in a manner that maximizes social surplus with consideration of the following:

- (a) a lower priced **capacity block** in an **offer** will be cleared before a higher priced **capacity block** in an **offer**;
- (b) a higher priced **capacity block** in a **bid** will be cleared before a lower priced **capacity block** in a **bid**;
- (c) when multiple equivalent **flexible blocks** are submitted at the clearing price and result in the same social surplus, clear such equivalent **flexible blocks** on a pro-rata basis; and as follows:
  - (i) on a pro-rata basis, if all pro-rated quantities in MW remain whole numbers; or
  - (ii) on a random basis, in all other cases;
- (d) when multiple equivalent **inflexible blocks** are submitted at the clearing price and result in the same social surplus, clear such equivalent **inflexible blocks** on a random basis as follows:
  - (i) clear a combination of the smallest volume inflexible blocks, if possible; or
  - (ii) on a random basis, in all other cases; and
- (e) when multiple equivalent flexible blocks and inflexible blocks are submitted at the clearing price and result in the same social surplus, clear such equivalent flexible blocks and inflexible blocks on a random basis.

**(2)** The **ISO** may perform the clearing process more than once prior to establishing the clearing price.

##### Transfer Path Limits Calculation

**3** The **ISO** must determine the limits, for each **base auction** or **rebalancing auction**, on each of the British Columbia transfer path, Montana transfer path, the Saskatchewan transfer path, and the combined British Columbia and Montana transfer paths by averaging the hourly limits for each of the above as follows:

- (a) for the British Columbia transfer path, for each of the 250 **tightest supply cushion hours** per year for the previous 5 years to the **base auction** or **rebalancing auction**, as applicable, by assigning a hourly limit based on the minimum of:
  - (i) the hourly import **available transfer capability** for the British Columbia transfer path; or
  - (ii) the long-term firm transmission service on the British Columbia transfer path.

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#### Section 201.13 Capacity Market Clearing



- (b) for the Montana transfer path, for each of the 250 **tightest supply cushion hours** per year for the previous 5 years to the **base auction** or **rebalancing auction**, as applicable, by assigning a hourly limit based on the minimum of:
  - (i) the hourly import **available transfer capability** for the Montana transfer path; or
  - (ii) the long-term firm transmission service on the Montana transfer path.
- (c) for the Saskatchewan transfer path, for each of the 250 **tightest supply cushion hours** per year for the previous 5 years to the **base auction** or **rebalancing auction**, as applicable, by assigning a hourly limit based on the minimum of:
  - (i) the hourly import **available transfer capability** for the Saskatchewan transfer path; or
  - (ii) the long-term firm transmission service on the Saskatchewan transfer path.
- (d) for the combined British Columbia and Montana transfer paths, for each of the 250 **tightest supply cushion hours** per year for the previous 5 years to the **base auction** or **rebalancing auction**, as applicable, by assigning a hourly limit based on the minimum of:
  - (i) the combined import **available transfer capability** for the British Columbia and Montana transfer paths prior to LSSi arming; or
  - (ii) combined long-term firm transmission for the British Columbia and Montana transfer paths.

#### Consideration of Transmission **Congestion-Market** Constraint and Transfer Path Limits in Clearing Process

**4(1)** The **ISO** may, in the event that the **ISO** determines that the energy associated with an **offer** may be unable to be delivered to the **interconnected electric system** during the **obligation period** due to either a **transmission congestionmarket constraint** or a limit on an Alberta **intertie** determined in accordance with subsection 3:

- (a) not clear the **offer**;
- (b) clear a portion of the **offer**; or
- (c) if there are multiple **flexible blocks** impacted by the same **transmission congestionmarket constraint** or limit on an Alberta **intertie** either:
  - (i) not clear the **flexible blocks**; or
  - (ii) when multiple equivalent **flexible blocks** are submitted at the same price and result in the same social surplus, clear such equivalent **flexible blocks** on a pro-rata basis.
- (d) if there are multiple **inflexible blocks** impacted by the same **transmission congestionmarket constraint** or limit on an Alberta **intertie** either:
  - (i) not clear the **inflexible blocks**; or
  - (ii) when multiple equivalent **inflexible blocks** are submitted at the same price and result in the same social surplus, clear such equivalent **inflexible blocks** on a random basis.

**(2)** The **ISO** may clear additional **offers** for the equivalent volume of the **offers** it did not clear pursuant to subsection 4(1).

**(3)** The **ISO** must, for the additional **offers** cleared in accordance with subsection 4(2), provide an uplift payment for the difference between the **offer** price and the clearing price, if the **offer** price of such **offers** is higher than the clearing price.

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#### Section 201.13 Capacity Market Clearing



#### Setting Auction Clearing Price

**5(1)** The **ISO** must establish the clearing price of a **base auction** or **rebalancing auction**, without consideration of **transmission congestionmarket constraints** in subsection 4, at the point on the demand curve that:

- (a) intersects with the supply curve; or
- (b) corresponds to the volume of the cleared offers where the entire cleared offers are below the demand curve.

#### Revision History

Date	Description
yyyy-mm-dd	Initial release

# ISO Rules

## Part 200 Markets

### Division 206 Capacity Market

#### Section 206.1 Qualification of Capacity



External Consultation Draft  
August 31, 2018

#### Applicability

- 1 Section 206.1 applies to:
  - (a) a **person** seeking to have the **ISO** qualify **new capacity** for the capacity market;
  - (b) a **capacity market participant** seeking to have the **ISO** qualify refurbished capacity or incremental capacity for the capacity market; and
  - (c) the **ISO**.

#### Requirements

##### Application for Qualification of Capacity

**2(1)** Each **person** or **capacity market participant** must, within the timelines prescribed by the *Capacity Market Auction Guidelines*, provide the **ISO** with a completed application including:

- (a) all information or documents that the **ISO** specifies; and
- (b) any applicable application fee as set out in the *Schedule of ISO Fees*.

**(2)** The **ISO** may request additional clarification or information regarding the application or supporting documents from each **person** or **capacity market participant**.

##### Declaration for New Capacity

**3** A **person** must, within the timelines prescribed by the *Capacity Market Auction Guidelines* and in the manner the **ISO** specifies, submit to the **ISO** an attestation from a corporate officer as to whether an asset with the **new capacity** will:

- (a) permanently delist in accordance with Section 201.15, *Delisting*; or
- (b) continue to participate in the energy and capacity markets.

in the event that the **capacity market participant** fails to receive a **capacity commitment** for such asset in the **base auction** or **rebalancing auction**.

##### Declarations for Incremental Capacity and Refurbished Capacity

**34(1)** A **capacity market participant** must, if it has applied to provide proposed incremental capacity, submit to the **ISO**, within the timelines prescribed by the *Capacity Market Auction Guidelines*, ~~submit to the **ISO** a declaration, and~~ in the manner ~~specified by~~ the **ISO**, specifies, an attestation from a corporate officer as to whether the anticipated **maximum capability** of the asset with ~~proposed~~ incremental capacity will be either:

- (a) the **maximum capability** of the asset had the **capacity market participant** not applied for proposed incremental capacity; or
- (b) remain as the anticipated **maximum capability** accounting for the proposed incremental capacity,

in the event that ~~the~~ **capacity market participant** fails to receive a **capacity commitment** for such asset in the **base auction** or **rebalancing auction** for some or all of the proposed incremental capacity.

**(2)** A **capacity market participant** must, within the timelines prescribed by the *Capacity Market Auction Guidelines* and in the manner ~~specified by~~ the **ISO**, specifies, submit to the **ISO** an attestation from a ~~declaration, corporate officer~~ as to whether an asset with refurbished capacity will:

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## Part 200 Markets

### Division 206 Capacity Market

#### Section 206.1 Qualification of Capacity



- (a) permanently delist in accordance with Section ~~206.X201.15~~ of the **ISO rules**, *Delisting*; or
- (b) continue to participate in the energy market and capacity market,

in the event that ~~athe~~ **capacity market participant** fails to receive a **capacity commitment** for such asset in the **base auction** or **rebalancing auction**.

#### Declaration for Load Asset

**5(1)** A **person** must, within the timelines prescribed by the *Capacity Market Auction Guidelines* and in the manner the **ISO** specifies, declare to the **ISO** a **firm consumption level** if the **person** is seeking to have the **ISO** qualify a load asset providing a **firm consumption level** for the capacity market.

**(2)** A **person** must, within the timelines prescribed by the *Capacity Market Auction Guidelines* and in the manner the **ISO** specifies, declare to the **ISO** a **guaranteed load reduction** if the **person** is seeking to have the **ISO** qualify a load asset providing a **guaranteed load reduction** for the capacity market.

#### Declaration for Import Asset

**6** A **person** must, within the timelines prescribed by the *Capacity Market Auction Guidelines* and in the manner the **ISO** specifies, declare to the **ISO** a volume in MW from an import asset, which is less than or equal to the amount of firm transmission, that the **person** is seeking to have the **ISO** qualify for the capacity market.

#### **Qualification of New Capacity, Incremental Capacity and Refurbished Capacity**

**47(1)** The **ISO** must, based on the information in the application and any supporting documents provided pursuant to subsection 2, be satisfied that the asset:

- (a) will be capable of providing energy to or reducing consumption from the **interconnected electric system**;
- (b) has a **uniform capacity value** greater than or equal to 1 MW;
- (c) will be:
  - (i) developed, ~~energized and commissioned~~ in accordance with a project plan and timeline that aligns with the ~~project~~critical milestones established by the **ISO**; and
  - (ii) ~~energized and commissioned prior to the obligation period.~~
- (d) is not a **source asset** that is the subject of a renewable electricity support agreement in connection with rounds 1, 2 or 3 of the Renewable Electricity Program;
- (e) is not energy efficiency;
- (f) in the case of a load asset:
  - (i) can or will be able to reduce demand during the **obligation period** in a way that is measureable by the **ISO**; and
  - (ii) is or will be a retail or self-retail asset; and
  - (i) ~~is not located on a site with an onsite generating unit or aggregated generating facility that is participating in the capacity market.~~

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### Division 206 Capacity Market

#### Section 206.1 Qualification of Capacity



- (g) in the case of an **energy storage facility**, is or will be capable of maintaining energy production at its **uniform capacity value** for a minimum of 4 hours;
- (h) in the case of an import asset:
  - (i) has firm transmission from the import asset to the Alberta border for the duration of the **obligation period**;
  - (ii) is not participating as non-recallable capacity in a resource adequacy program of another jurisdiction; and
  - (iii) will be curtailed on a pro-rata basis by the **balancing authority** of the jurisdiction in which the import asset is located in when load, which is firm, is curtailed.
- (i) in the case of an aggregation of assets:
  - (i) has a **uniform capacity value** less than or equal to the **uniform capacity value** ~~maximum capacity~~ of the largest generating unit in Alberta multiplied by 0.85;
  - (ii) has or will have the appropriate metering the **ISO** specifies for each asset in the aggregation;
  - (iii) is comprised of assets that are either exclusively ~~load assets or exclusively:~~
    - (A) generating units or aggregated generating facilities; located within Alberta;
    - (B) load assets providing a firm consumption level located within Alberta; or
    - (C) load assets providing a guaranteed load reduction located within Alberta;and,
  - (iv) is not comprised of any asset that will contribute capacity individually, or as part of another aggregation, to the capacity market;
- (j) in the case of incremental capacity, will be retrofitted in a manner that will, in the opinion of the **ISO**, increase the **maximum capability** of the asset by an amount in MW that is:
  - (i) greater than or equal to 1 MW; and
  - (ii) less than or equal to the greater of:
    - (A) 15% of the asset's **maximum capability**; or
    - (B) 40 MW above the asset's **maximum capability**.
- (k) in the case of refurbished capacity, will be retrofitted in a manner that will, in the opinion of the **ISO**, result in either:
  - (i) an increase in the asset's **maximum capability** by an amount exceeding the greater of:
    - (A) 15% of the asset's **maximum capability**; or
    - (B) 40 MW above the asset's **maximum capability**; or
  - (ii) a capital investment of greater than or equal to \$200 per kW of the asset's **current maximum capability** multiplied by a capital cost escalation rate that is specified by the **ISO**.

**(2)** The **ISO** may, in a determination made pursuant to subsection 4(1)(k)(ii), reject any cost information submitted by the **capacity market participant** if the **ISO** determines that such costs are unreasonable.



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### Division 206 Capacity Market

#### Section 206.1 Qualification of Capacity



(3) The **ISO** must qualify an asset with **new capacity**, refurbished capacity or incremental capacity for the capacity market if:

- (a) the application provided pursuant to subsection 2 is complete; and
- (b) the **ISO** is satisfied pursuant to subsection 4Z(1), as applicable.

(4) The **ISO** must, within the timelines prescribed by the *Capacity Market Auction Guidelines*, notify each **person** or **capacity market participant** as to whether the **new capacity**, refurbished capacity or incremental capacity is qualified for the capacity market.

#### Revision History

Date	Description
yyyy-mm-dd	Initial release

# ISO Rules

## Part 200 Markets

### Division 206 Capacity Market

#### Section 206.2 Self-Supply Configurations



External Consultation Draft  
August 31, 2018

#### Applicability

- 1 Section 206.2 applies to:
  - (a) the **legal owner** of a load asset that is served by one or more onsite **generating units** or **aggregated generating facilities**, excluding sites where the load is exclusively station service for the generating unit or aggregated generating facility;
  - (b) the legal owner of a generating unit or an aggregated generating facility that self-supplies capacity for one or more onsite load assets;
  - ~~(bc)~~ the City of Medicine Hat; and
  - ~~(ed)~~ the **ISO**.

#### Requirements

##### ~~Mandatory~~ Requirements to Self-supply Capacity

- 2(1) The **legal owner** of a load asset ~~that is served by one or more onsite generating units or aggregated generating facilities~~ must self-supply **capacity** if such site is:
  - (a) metered ~~on a net basis~~ in a manner that the metering measures both onsite generation and load as a single value for each metering interval; or
  - (b) is not capable of flowing all energy produced on the site on to the **interconnected electric system**.
- (2) The City of Medicine Hat must self-supply **capacity**.

##### ~~Option to Self-supply Capacity~~

- ~~3~~ The **legal owner** of a load asset ~~that is served by one or more onsite generating units or aggregated generating facilities~~ may choose to self-supply **capacity** if:
  - ~~(a) such site has a bi-directional net interval meter;~~
  - ~~(b) the generating units or aggregated generating facilities are metered on a gross basis; and~~
  - ~~(c) the generating units or aggregated generating facilities are capable of flowing energy on to the interconnected electric system.~~

#### Application to Self-supply Capacity

- 43 The **legal owner** of a load asset ~~that is served by one or more onsite generating units or aggregated generating facilities~~ and the City of Medicine Hat must provide the **ISO**, within the timelines prescribed by the *Capacity Market Auction Guidelines*, a completed application to self-supply **capacity** including all information or documents that the **ISO** specifies.

#### Approval to Self-supply Capacity

- 54 The **ISO** must, within the timelines prescribed by the *Capacity Market Auction Guidelines*, approve an application to self-supply **capacity** if the site meets the criteria set out in ~~subsections 2 or 3, as applicable~~ subsection 2.

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## Part 200 Markets

### Division 206 Capacity Market

#### Section 206.2 Self-Supply Configurations



#### Changes in Self-supply Configuration

5 The legal owner of a load asset that is self-supplying capacity pursuant to subsection 2(1) must self-supply capacity for a minimum of 4 obligation periods unless it can demonstrate to the ISO's satisfaction that physical changes to the site warrant a change in self-supply configuration.

#### Capacity from a Self-supply Configuration

**6(1)** The legal owner of a generating unit or an aggregated generating facility in a self-supply configuration must, in the event that:

- (a) the generating unit or aggregated generating facility has excess capacity that is not serving the on-site load; and
- (b) the excess capacity that is not serving the on-site load has a uniform capacity value greater than or equal to 1 MW,

participate in the capacity market with the excess capacity that is not serving the on-site load.

**(2)** The legal owner of a load asset in a self-supply configuration may provide capacity in the capacity market with the portion of the load that is not supplied by onsite generation if the capacity has a uniform capacity value greater than or equal to 1 MW.

#### Changes in Self-supply Status

~~7(1) The legal owner of a load asset that is served by one or more onsite generating units or aggregated generating facilities that is required to self-supply capacity pursuant to subsection 2(1) may apply to the ISO to change its self-supply status if:~~

- ~~(a) the legal owner installs a bi-directional net-interval meter at such site;~~
- ~~(b) the legal owner changes generating units or aggregated generating facilities to be metered on a gross basis; and~~
- ~~(c) the generating units or aggregated generating facilities are capable of flowing energy on to the interconnected electric system.~~

~~(2) The legal owner of a load asset that is served by one or more onsite generating units or aggregated generating facilities that elects to self-supply capacity pursuant to subsection 3 must self-supply capacity for a minimum of 4 obligation periods unless it can demonstrate to the ISO's satisfaction that physical changes to the site warrant a change in self-supply status.~~

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## Part 200 Market

### Division 206 Capacity Market

#### Section 206.4 Offers and Bids for Capacity



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#### Applicability

- 1 Section 206.4 applies to:
  - (a) a **capacity market participant** with an asset that has an assigned **uniform capacity value**; and
  - (b) the **ISO**.

#### Requirements

##### Obligation to Offer and Offer Content for a Base Auction

- 2(1) A **capacity market participant** must submit an **offer** for a **base auction** in respect of an asset that:
  - (a) has an assigned **uniform capacity value**; and
  - (b) is listed opposite the **capacity market participant** on the list the **ISO** publishes pursuant to Section 201.10 of the **ISO rules**, *Capacity Market Participant Registration*.
- (2) A **capacity market participant** must ensure its **offer** volume for an asset in a **base auction** equals the asset's **uniform capacity value**.
- (3) A **capacity market participant** must include in each **capacity block** in an **offer** for a **base auction**:
  - (a) a price in \$/kW-year to the nearest cent per kW-year which, subject to Section 206.7, of the **ISO rules**, *Capacity Market Mitigation*, is:
    - (i) greater than or equal to \$0/kW-year; and
    - (ii) less than or equal to the maximum price established by the demand curve; and
  - (b) a quantity in MW that is greater than or equal to ~~than~~ 1 MW.
- (4) The **ISO** must, if a **capacity market participant** does not submit an **offer** in accordance with subsections 2(1), 2(2) or 2(3), assign an **offer** price of \$0/kW-year for the **offer** volume equal to the asset's assigned **uniform capacity value**.

##### Obligation to Offer and Offer Content for a Rebalancing Auction

- 3(1) A **capacity market participant** must submit an **offer** for a **rebalancing auction** in respect of an asset that:
  - (a) has an assigned **uniform capacity value** greater than the **capacity commitment**; and
  - (b) is listed opposite the **capacity market participant** on the list the **ISO** publishes pursuant to Section 201.10 of the **ISO rules**, *Capacity Market Participant Registration*.
- (2) A **capacity market participant** must ensure its **offer** volume for an asset in a **rebalancing auction** equals the difference between the asset's **uniform capacity value** and its **capacity commitment**.
- (3) A **capacity market participant** must include in each **capacity block** in an **offer** for a **rebalancing auction**:
  - (a) a price in \$/kW-year to the nearest cent per kW-year which is:

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#### Section 206.4 Offers and Bids for Capacity



- (i) greater than or equal to \$0/kW-year; and
- (ii) less than or equal to the maximum price established by the **final** demand curve; and
- (b) a quantity in MW that is equal to or greater than 1 MW.

**(4)** The **ISO** must, if a **capacity market participant** does not submit an **offer** in accordance with subsections 3(1), 3(2) or 3(3), assign an **offer** price of \$0/kW-year for the **offer** volume equal to the difference between the asset's **uniform capacity value** and its **capacity commitment**.

#### Designation of Flexible Blocks or Inflexible Blocks for Offers

**4(1)** A **capacity market participant** must, except for an asset with **incremental capacity**, designate in an **offer**:

- (a) the lowest priced **capacity block** as a **flexible block** or **inflexible block**; and
- (b) all other **capacity blocks** as **flexible blocks**.

**(2)** A **capacity market participant** must, for an asset with **incremental capacity**, designate in an **offer** all **capacity blocks** as **flexible blocks** except in the following circumstances:

- (a) the lowest priced **capacity block** may be designated as an **inflexible block**; or
- (b) in the event that:
  - (i) the lowest priced **capacity block** contains only **incremental capacity**;
  - (ii) there is a **capacity block** that contains only non-**incremental capacity**; and
  - (iii) there is no lower priced **capacity block** that contains both **incremental capacity** and non-**incremental capacity** than the lowest priced **capacity block** that contains no **incremental capacity**,

the lowest priced **capacity block** containing only non-**incremental capacity** may be designated as an **inflexible block**, as demonstrated in Appendix 1.

- (c) in the event that:
  - (i) the lowest priced **capacity block** contains only non-**incremental capacity**;
  - (ii) there is a **capacity block** that contains only **incremental capacity**; and
  - (iii) there is no lower priced **capacity block** that contains both **incremental capacity** and non-**incremental capacity** than the lowest priced **capacity block** that contains only **incremental capacity**,

the lowest priced **capacity block** containing only **incremental capacity** may be designated as an **inflexible block**, as demonstrated in Appendix 1.

#### Additional Offer Content for Incremental Capacity

**5** A **capacity market participant** must, for an asset with **incremental capacity**, include in each **capacity block** in an **offer** a declaration of the quantity in MW within a **capacity block** that is **incremental capacity**.

#### Additional Offer Content for Refurbished Capacity

**6(1)** A **capacity market participant** must, that has failed the market power screen in accordance with Section 206.7, of the **ISO rules**, *Capacity Market Mitigation*, for an asset with **refurbished capacity**, submit:

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#### Section 206.4 Offers and Bids for Capacity



- (a) a first **offer** comprised of one **capacity block** that is an **inflexible block** for an asset with **refurbished capacity** qualified by the **ISO**; and
- (b) a second **offer** based on the **offer** the **capacity market participant** would have submitted had the **ISO** not qualified the **refurbished capacity**,

unless the **capacity market participant** declared to permanently delist the **refurbished capacity** pursuant to Section 206.1 of the **ISO rules**, *Qualification of Capacity* in the event it fails to obtain a **capacity commitment**.

**(2)** A **capacity market participant** may, if it has submitted an **offer** in accordance with subsection 6(1) and the **offer** that is referred to in subsection 6(1)(a) does not clear, submit in the next **base auction**:

- (a) an **offer** comprised of one **capacity block** that is an **inflexible block** for an asset with **refurbished capacity** qualified by the **ISO**; or
- (b) an **offer** based on the **offer** the **capacity market participant** would have submitted had the **ISO** not qualified the **refurbished capacity**.

**(3)** A **capacity market participant** must, in the event that the **capacity market participant** submitted an **offer** in accordance with subsection 6(2)(a) and the **offer** did not clear, permanently delist the asset.

**(4)** A **capacity market participant** must ensure that an **offer** has not been submitted for the asset in the manner described in subsection 6(1) prior to submitting an **offer** in accordance with subsection 6(1).

#### Bid Content

**7(1)** A **capacity market participant** with a **capacity commitment** may submit a **bid** in a **rebalancing auction**:

- (a) for a quantity in MW that is equal to or greater than 1 MW and less than or equal to the **capacity commitment**; ~~and~~
- (b) that is priced at a price in \$/kW-year to the nearest cent per kW-year which is greater than or equal to \$0/kW-year; ~~and~~
- (c) less than or equal to the maximum price established by the final demand curve.

**(2)** A **capacity market participant** with a **capacity commitment** must submit a **bid**, priced at \$0.01/kW-year above the maximum price established by the demand curve, in accordance with the following:

- (a) if the asset's assigned **uniform capacity value** for the ~~last~~ **final rebalancing auction** is lower than its **capacity commitment**, the **capacity market participant** must submit a **bid** for the difference between the **capacity commitment** and the assigned **uniform capacity value**;
- (b) ~~subject to subsection 7(2)(d), if the ISO determines that the capacity market participant has missed a critical milestone subject to , before the first rebalancing auction, that an asset is unable to meet the milestone requirements in accordance with~~ Section 206.5 of the **ISO rules**, *Forward Period Milestone Requirements*, ~~a the~~ **capacity market participant** must submit a **bid** equal to its entire **capacity commitment** in the first applicable rebalancing auction; ~~or~~
- (c) ~~subject to subsection 7(2)(d), if the ISO determines, before the last rebalancing auction, that an asset is unable to meet the milestone requirements in accordance with Section 206.5 of the ISO rules, Forward Period Requirements, a capacity market participant must submit a bid equal to its entire capacity commitment in the last rebalancing auction; or if the ISO determines for a load asset that the capacity market participant has not met the~~

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#### Section 206.4 Offers and Bids for Capacity



critical milestone set out in Section 206.5 of the ISO rules, Forward Period Milestone Requirements, then that **capacity market participant** must submit a **bid** for the difference between the **capacity commitment** and the assigned **uniform capacity value** in the final rebalancing auction.

~~(d) — if the ISO determines, before the last rebalancing auction, that an aggregation of load assets is unable to meet the milestone requirements in accordance with Section 206.5 of the ISO rules, Forward Period Requirements, a **capacity market participant** must submit a **bid** for the difference between the **capacity commitment** and the assigned **uniform capacity value** for the last rebalancing auction.~~

(3) The ISO must, if a **capacity market participant** does not submit a **bid** in accordance with subsection 7(2), assign a **bid** price of \$0.01/kW-year above the maximum price established by the demand curve for the **bid** volume required in subsection 7(2).

#### Submission of Offer and Bid for the Same Asset in a Rebalancing Auction

8 A **capacity market participant** that submits an **offer** and **bid** for the same asset in a **rebalancing auction** must price the **capacity blocks** such that the highest priced **capacity block** for the **bid** is less than the lowest priced **capacity block** for the **offer**.

#### Designation of Flexible Blocks or Inflexible Blocks for Bids

- 9 A **capacity market participant** must designate in a bid:
- (a) the lowest priced **capacity block** as a **flexible block** or **inflexible block**; and
  - (b) all other **capacity blocks** as **flexible blocks**.

#### Offering Window

10(1) The ISO must specify the offering window for a **base auction** or **rebalancing auction** in the *Capacity Market Auction Guidelines*.

(2) The ISO may change or extend the offering window in the event of system unavailability and the ISO determines that such unavailability warrants a change or extension to the offering window.

(3) The ISO must notify **capacity market participants** of any change or extension to an offering window made pursuant to subsection 10(2).

(4) A **capacity market participant** must submit an **offer** or **bid** during the offering window.

#### Offer Submission Methods

11 A **capacity market participant** must submit an **offer** or **bid** for a **base auction** or **rebalancing auction** in a manner the ISO determines.

#### Appendices

Appendix 1 - *Scenarios for use of flexible and inflexible capacity blocks for assets with incremental capacity*

#### Revision History

Date	Description
xxxx-xx-xx	Initial release

# ISO Rules

## Part 200 Market

### Division 206 Capacity Market

#### Section 206.4 Offers and Bids for Capacity



#### Appendix 1 – Scenarios for use of flexible and inflexible capacity blocks for assets with incremental capacity

Caveat for scenarios is that prices of **capacity blocks** increases from **capacity block** no. 1 to **capacity block** no. 7

##### Scenario 1

Block No.	Incremental Capacity	Non-Incremental Capacity	May Designate as Flexible?	May Designate as Inflexible?
1	Y	Y	Y	Y
2	Y	N	Y	N
3	N	Y	Y	N
4	*	*	Y	N
5	*	*	Y	N
6	*	*	Y	N
7	*	*	Y	N

##### Scenario 2

Block No.	Incremental Capacity	Non-Incremental Capacity	May Designate as Flexible?	May Designate as Inflexible?
1	N	Y	Y	Y
2	Y	Y	Y	<del>Y</del> N
3	*	*	Y	N
4	*	*	Y	N
5	*	*	Y	N
6	*	*	Y	N
7	*	*	Y	N

##### Scenario 3



# ISO Rules

## Part 200 Market

### Division 206 Capacity Market

#### Section 206.4 Offers and Bids for Capacity



Block No.	Incremental Capacity	Non-Incremental Capacity	May Designate as Flexible?	May Designate as Inflexible?
1	Y	N	Y	Y
2	Y	N	Y	N
3	Y	Y	Y	<del>Y</del> N
4	*	*	Y	N
5	*	*	Y	N
6	*	*	Y	N
7	*	*	Y	N

#### Scenario 4

Block No.	Incremental Capacity	Non-Incremental Capacity	May Designate as Flexible?	May Designate as Inflexible?
1	Y	N	Y	Y
2	Y	N	Y	N
3	N	Y	Y	Y
4	*	*	Y	N
5	*	*	Y	N
6	*	*	Y	N
7	*	*	Y	N