

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 Documents:

- Section 103.11 of the ISO rules, *Capacity Market Financial Security Requirements* (“Section 103.11”);
- Section 201.14 of the ISO rules, *Capacity Market Offer Control Information* (“Section 201.14”);
- Section 201.15 of the ISO rules, *Delisting* (“Section 201.15”);
- Section 206.1 of the ISO rules, *Qualification of Capacity* (“Section 206.1”);
- Section 206.2 of the ISO rules, *Self-Supply Configurations* (“Section 206.2”);
- Section 206.3 of the ISO rules, *Uniform Capacity Value Determination* (“Section 206.3”);
- Section 206.4 of the ISO rules, *Offers and Bids for Capacity* (“Section 206.4”);
- Section 206.5 of the ISO rules, *Forward Period Milestone Assessment* (“Section 206.5”);
- Section 206.6 of the ISO rules, *Base Auction and Rebalancing Auction* (“Section 206.6”);
- Section 206.7 of the ISO rules, *Capacity Market Mitigation* (“Section 206.7”);
- Section 207.1 of the ISO rules, *Gross Minimum Procurement Volume* (“Section 207.1”);
- Section 207.2 of the ISO rules, *Calculation of Net-CONE* (“Section 207.2”); and
- Section 207.3 of the ISO rules, *Shape of Demand Curve* (“Section 207.3”).

The purpose of this Information Document is to describe the categories of information that will be included in the *Capacity Market Auction Guidelines*. Specifically, the following:

- (a) the timetable for the capacity auction;
- (b) demand curve parameters; and
- (c) data and indices.

2 Background

As set out in subsection 4 of Section 206.6, the *Capacity Market Auction Guidelines* is a document that the AESO publishes in advance of each base auction and rebalancing auction. It contains information a Capacity Market Participant (“CMP”) will need to know in order to participate in the applicable auction.

3 Transitional Considerations

It is important for capacity market participants to be clear that during the transition period, being the first 3 obligation periods, the rebalancing auction is treated as the final rebalancing auction.

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.

4 Timetables

The *Capacity Market Auction Guidelines* provides the dates by which the AESO, a capacity market participant, or other party must complete certain activities. Table 1 below is a complete list of all activities associated with the capacity market auctions, listing any associated parties.

Please note: The timelines set out below represent the AESO's current best information in relation to the auction schedules. Timelines may change in the next version of this information document based on a variety of factors, including stakeholder feedback, ISO rule amendments, auction system requirements, and Alberta Utilities Commission decisions.

The *Capacity Market Auction Guidelines* will include dates for the following:

Table 1 – Base Auction Timetable

Date	Activity	Party	Notes
Qualification			
T – 11 months	<ul style="list-style-type: none"> Provide a completed qualification application and any applicable fee for new capacity, refurbished capacity or incremental capacity. Provide a declaration for new capacity – attestation from a corporate officer as to whether an asset with new capacity will permanently delist or continue to participate in the energy and capacity market. Provide a declaration for incremental capacity – attestation from a corporate officer regarding the anticipated maximum capability. Provide a declaration for refurbished capacity – attestation from a corporate officer regarding whether the asset will permanently delist or continue to participate in the energy and capacity markets. Provide a declaration for load – declare a firm consumption level or a guaranteed load reduction. Provide a declaration for imports – declare a volume in MW. Submit a request to temporarily delist an asset for economic reasons (for the last rebalancing auction) Submit a request to temporarily delist an asset for physical or operational limitations. Submit a notification to permanently delist an asset (for the base auction or 	Person / CMP	<p>Section 206.1 – s. 2(1)</p> <p>Section 206.1 – s. 3</p> <p>Section 206.1 – s. 4(1)</p> <p>Section 206.1 – s. 4(2)</p> <p>Section 206.1 – s. 5(1) and 5(2)</p> <p>Section 206.1 – s. 6</p> <p>Section 201.15 – s. 2(1)</p> <p>Section 201.15 – s. 5(1)</p> <p>Section 201.15 – s. 11(1)</p>

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Date	Activity	Party	Notes
	<ul style="list-style-type: none"> the first rebalancing auction). Submit a request to vary the uniform capacity value of an asset. 		Section 206.3 – s. 10(1)
	<ul style="list-style-type: none"> Submit an application to self-supply capacity. 	City of Medicine Hat; legal owner of a load asset	Section 206.2 – s. 3
T – 8 months	<ul style="list-style-type: none"> Notify the capacity market participant as to whether the new capacity, refurbished capacity or incremental capacity is qualified. Approve an application to self-supply capacity. 	AESO	Section 206.1 – s. 7(4) Section 206.2 – s. 4
UCAP Selection and Offer Control			
T – 8 months	<ul style="list-style-type: none"> Provide an initial uniform capacity value and range to the capacity market participant newly qualified capacity. 	AESO	Section 206.3 – 9(2)
T – 7.5 months	<ul style="list-style-type: none"> Declare the uniform capacity value that it will use for the auction. Submit offer control information, including a list of any and all associates of a capacity market participant. 	CMP	Section 206.3 – s.11(1) Section 201.14 – s. 2
Request for Reconsideration and Dispute Resolution			
T - 7 months	<p style="text-align: center;"><i>First Dispute Resolution Period</i></p> <ul style="list-style-type: none"> AESO request for reconsideration process AUC dispute resolution process 		
T – 6 months	<ul style="list-style-type: none"> Notify a capacity market participant of its assigned uniform capacity value. 	AESO	Section 206.3 – s. 11(2)
T – 6 months	<ul style="list-style-type: none"> Post financial security. 	CMP	Section 103.11 – s. 5(1)
Market Power Mitigation			
T – 5 months	<ul style="list-style-type: none"> Publish the minimum amount of capacity a person must have under its offer control to be determined to have market power. Identify those persons who have market power. 	AESO	Section 206.7 – s. 2(1) Section 206.7 – s. 2(3)(a)

Date	Activity	Party	Notes
	<ul style="list-style-type: none"> Notify a person that has been identified as having market power. 		Section 206.7 – s. 2(3)(b)
T- 5 months	<ul style="list-style-type: none"> Make an application for an asset specific offer price cap 	CMP	
Request for Reconsideration and Dispute Resolution			
T-3 months	<p style="text-align: center;"><i>Second Dispute Resolution Period</i> (for market power mitigation and asset specific offer price caps)</p> <ul style="list-style-type: none"> AESO request for reconsideration process AUC dispute resolution process 		
Offer Submission & Auction Clearing			
T	<ul style="list-style-type: none"> Offer window opens CMPs submit offers 	AESO CMP	Section 206.4 – s.10(1)
T + 1 week	<ul style="list-style-type: none"> Offer window closes and auction clears 	AESO	Section 206.4 – s.10(1)
Report Auction Results			
T + X	<ul style="list-style-type: none"> Post auction results 	AESO	Section 206.6 – s.2(2)

Table 2 – Rebalancing Auction Timetable

Date	Activity	Party	Notes
Qualification			
T – 7 months	<ul style="list-style-type: none"> Provide a completed qualification application and any applicable application fee for new capacity, refurbished capacity, incremental capacity Provide a declaration for new capacity - attestation from a corporate officer as to whether an asset with new capacity will permanently delist or continue to participate in the market Provide a declaration for incremental capacity – attestation from a corporate officer regarding the anticipated maximum capability Provide a declaration for refurbished capacity – attestation from a corporate officer regarding whether the asset will permanently delist or continue to participate in the energy 	Person / CMP	<p>Section 206.1 – s. 2(1)</p> <p>Section 206.1 – s. 3</p> <p>Section 206.1 – s. 4(1)</p> <p>Section 206.1 – s. 4(2)</p>

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Date	Activity	Party	Notes
	<p>and capacity markets</p> <ul style="list-style-type: none"> • Provide a declaration for load – declare a firm consumption level or a guaranteed load reduction • Provide a declaration for imports – declare a volume in MW • submit a request to temporarily delist an asset for economic reasons (final rebalancing auction only) • submit a request to temporarily delist an asset for physical or operational limitations • submit a notification to permanently delist an asset (first rebalancing auction only) • submit a request to vary the uniform capacity value of an asset 		<p>Section 206.1 – s. 5(1) and 5(2)</p> <p>Section 206.1 – s. 6</p> <p>Section 201.15 – s. 2(1)</p> <p>Section 201.15 – s. 5(1)</p> <p>Section 201.15 – s. 11(1)</p> <p>Section 206.2 – s. 3</p>
	<ul style="list-style-type: none"> • submit an application to self-supply capacity 	City of Medicine Hat; legal owner of a load asset	Section 206.3 – s. 10(1)
T – 5 months	<p>Notify the capacity market participant as to whether the new capacity, refurbished capacity, or incremental capacity is qualified</p> <p>Approve an application to self-supply capacity</p> <p>Provide the capacity market participant with a price based on the remaining avoidable costs (last rebalancing auction only)</p> <p>Determine if an asset has achieved the critical milestones prior to the target completion date</p>	AESO	<p>Section 206.1 - s. 7(4)</p> <p>Section 206.2 - s.4</p> <p>Section 201.15 - s. 3(4)</p> <p>- for approved requests to temporarily delist for economic reasons</p> <p>Section 206.5 - s. 2(2)</p>
UCAP Selection and Offer Control			
T – 5 months	Notify a capacity market participant of its assigned uniform capacity value.	AESO	Section 206.3 – s. 11(2)

Date	Activity	Party	Notes
	Declare the uniform capacity value that it will use for the auction. Submit offer control information, including a list of any and all associates of a market participant	CMP	Section 206.3 Section 201.14 s. 2
Request for Reconsideration & Dispute Resolution			
T-4 months	<i>Dispute Resolution Period</i> <ul style="list-style-type: none"> AESO request for reconsideration process AUC dispute resolution process 		
T - 1 months	Post financial security	CMP	Section 103.11 – s. 5(1)
Offer Submission & Auction Clearing			
T	Offer window opens – specify the offering window	AESO	Section 206.4 - s.10(1)
T + 1 week	Offer window closes – specify the offering window	AESO	Section 206.4 - s.10(1)
Report Auction Results			
T + X	Results Posted	AESO	Section 206.6 – s.2(2)

4 Demand Curve Parameters

The AESO determines the demand curve parameters for each base auction and rebalancing auction and, pursuant to subsection 2(3) of Section 207.3, will publish the preliminary demand curve in the *Capacity Market Auction Guidelines*. The demand curve parameters are outlined in the following Table 2:

Table 2 – Auction Parameters

Auction Parameter	Parameters
Energy supply shortfall hours (206.8 – s. 10(1))	XX hours
Minimum procurement volume	XX MW
Demand curve – inflection point quantity	XX MW
Demand curve – volume at price floor	XX MW
Net-CONE value	\$/kW yr
Price cap	\$/kW yr
Demand curve – inflection point price	\$/kW yr

5 Data and Indices

Pursuant to subsection 7 of Section 207.2, the AESO includes the net-CONE value and the following data and indices in the *Capacity Market Auction Guidelines*.

Table 3 – Data and Indices

Name	Value (NTD: The AESO will publish the actual values in the Capacity Market Auction Guidelines.)
Composite Index _{t=2021/2022}	
Composite Index _t	
Labour Index _t	
Material Index _t	
Turbine US Cost Index _t	
USD/CAD Foreign Exchange Rate _t	
Energy Market Expense _t	
Forward Power Price _t	
Forward Product Hours _t	
Forward Product Energy _t	
Forward Gas Price _t	
Commodity Fuel Charge _t	
Variable Operations and Maintenance _t	
Emission Intensity	
Established Benchmark _t	
Carbon Price _t	
Transmission Losses _t	
Loss Factor _i	
Trading Charge _t	

Revision History

Posting Date	Description of Changes
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