

Proposed New ISO Rule – Section 103.10, Capacity Payment Calculation

Period of Comment: August 13, 2018 through August 31, 2018
Comments From: Solas Energy Consulting on behalf of the Renewable Energy Coalition
Date [yyyy/mm/dd]: 2018/08/31

Contact: Leonard Olien
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Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.

Section	Subsection	Proposed language	Stakeholder comments
		Applicability	
1		Section 103.10 applies to (a) the ISO.	
		Requirements Capacity Payment Calculation	
2		The ISO must calculate the monthly capacity payment, in Canadian dollars, for an asset subject to a capacity commitment as follows: $Capacity\ Payment = \{ [C_b * P_b * 1000] - [(C_b - C_{r1} - C_b) * P_{r1} * 1000] - [(C_{r2} - C_{r1} - C_{r1}) * P_{r2} * 1000] \} / \text{number of months in obligation period}$ where, for an obligation period : C _b equals the capacity commitment in MW after the base auction ; P _b equals the clearing price in \$/kW-year of the base auction ;	Nothing changes mathematically, but the equation is easier to understand.

Section	Subsection	Proposed language	Stakeholder comments
		<p>C_{r1} equals the capacity commitment in MW after the first rebalancing auction;</p> <p>P_{r1} equals the clearing price in \$/kW-year of the first rebalancing auction;</p> <p>C_{r2} equals the capacity commitment in MW after the second rebalancing auction;</p> <p>and</p> <p>P_{r2} equals the clearing price in \$/kW-year of the second rebalancing auction.</p>	

Please provide your comments on the following (as set out in AUC Rule 017 s. 13(b-j)):

Item #		Stakeholder comments
1	whether you agree that the proposed new ISO Rule – Section 103.10, <i>Capacity Payment Calculation</i> relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO Rule – Section 103.10, <i>Capacity Payment Calculation</i> should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 103.10, <i>Capacity Payment Calculation</i> and whether, in your view, the proposed new ISO Rule – Section 103.10, <i>Capacity Payment Calculation</i> meets the objective or purpose	
4	how, in your view, the proposed new ISO Rule – Section 103.10, <i>Capacity Payment Calculation</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 103.10, <i>Capacity Payment Calculation</i>	
6	whether you agree with the proposed new ISO Rule – Section 103.10, <i>Capacity Payment Calculation</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 103.10, <i>Capacity Payment Calculation</i>	

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 103.10, Capacity Payment Calculation.

Proposed New ISO rule – Section 206.1 – Qualification of Capacity

Period of Comment:	August 13, 2018	through	August 31, 2018	Contact:	Leonard Olien
Comments From:	Solas Energy Consulting on behalf of the Renewable Energy Coalition			Phone:	403-200-0049
Date [yyyy/mm/dd]:	2018/08/31			Email:	lolien@solasenergyconsulting.com

Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.

Section	Subsection	Proposed language	Stakeholder comments
		Applicability	
1		Section 206.1 applies to: <ul style="list-style-type: none"> (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 <i>Capacity Market Auction Guidelines</i> , provide the ISO with a completed application including:	

Section	Subsection	Proposed language	Stakeholder comments
		<ul style="list-style-type: none"> (a) all information or documents that the ISO specifies; and (b) any applicable application fee as set out in the <i>Schedule of ISO Fees</i>. 	
2	(2)	The ISO may request additional clarification or information regarding the application or supporting documents from each person or capacity market participant .	
		Declarations for Incremental Capacity and Refurbished Capacity	
3	(1)	<p>A capacity market participant must, if it has applied to provide proposed incremental capacity within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i>, submit to the ISO a declaration, in the manner specified by the ISO, as to whether the anticipated maximum capability of the asset with proposed incremental capacity will be either:</p> <ul style="list-style-type: none"> (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, <p>in the event that a 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.</p>	
3	(2)	<p>A capacity market participant must, within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> and in the manner specified by the ISO, submit to the ISO a declaration, as to whether an asset with refurbished capacity will:</p> <ul style="list-style-type: none"> (a) permanently delist in accordance with Section 206.X of the ISO rules, 	

Section	Subsection	Proposed language	Stakeholder comments
		<p><i>Delisting</i>; or</p> <p>(b) continue to participate in the energy market and capacity market, in the event that a capacity market participant fails to receive a capacity commitment for such asset in the base auction or rebalancing auction.</p>	
		<p>Qualification of New Capacity, Incremental Capacity and Refurbished Capacity</p>	
4	(1)	<p>The ISO must, based on the information in the application and any supporting documents provided pursuant to subsection 2, be satisfied that the asset:</p> <ul style="list-style-type: none"> (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 developed, energized and commissioned in accordance with a project plan and timeline that aligns with the project milestones established by the ISO; (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: <ul style="list-style-type: none"> (i) can or will be able to reduce demand during the obligation period in a way that is measureable by the ISO; (ii) is or will be a retail or self-retail asset; and (iii) is not located on a site with an net metered with an onsite generating unit or aggregated generating facility that is participating in the capacity market. (g) in the case of an energy storage facility, is or will be capable of maintaining energy production at it uniform capacity value for a minimum of 4 hours; 	<p>RE: 4 (1) f iii: A site that has both load and generation that is participating on a Gross basis should be able to offer the load as demand response.</p>

Section	Subsection	Proposed language	Stakeholder comments
		<p>(h) in the case of an import asset:</p> <ul style="list-style-type: none"> (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. <p>(i) in the case of an aggregation of assets:</p> <ul style="list-style-type: none"> (i) has a uniform capacity value less than or equal to the uniform capacity value of the largest generating unit in Alberta; (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 generating units or aggregated generating facilities; and (iv) is not comprised of any asset that will contribute capacity individually, or as part of another aggregation, to the capacity market; <p>(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:</p> <ul style="list-style-type: none"> (i) greater than or equal to 1 MW; and (ii) less than or equal to the greater of: <ul style="list-style-type: none"> (A) 15% of the asset's maximum capability; or (B) 40 MW above the asset's maximum capability. <p>(k) in the case of refurbished capacity, will be retrofitted in a manner that will, in the opinion of the ISO, result in either:</p> <ul style="list-style-type: none"> (i) an increase in the asset's maximum capability by an amount exceeding the greater of: 	

Section	Subsection	Proposed language	Stakeholder comments
		<p>(A) 15% of the asset's maximum capability; or</p> <p>(B) 40 MW above the asset's maximum capability; or</p> <p>(ii) a capital investment of greater than or equal to \$200 per kW of the asset's maximum capability multiplied by a capital cost escalation rate that is specified by the ISO.</p>	
4	(2)	<p>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.</p>	
4	(3)	<p>The ISO must qualify an asset with new capacity, refurbished capacity or incremental capacity for the capacity market if:</p> <p>(a) the application provided pursuant to subsection 2 is complete; and</p> <p>(b) the ISO is satisfied pursuant to subsection 4(1), as applicable.</p>	
4	(4)	<p>The ISO must, within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i>, notify each person or capacity market participant as to whether the new capacity, refurbished capacity or incremental capacity is qualified for the capacity market.</p>	

Please provide your comments on the following (as set out in AUC Rule 017 s. 13(b-j)):

Item #		Stakeholder comments
1	whether you agree that the proposed new ISO rule – Section 206.1 – <i>Qualification of Capacity</i> relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO rule – Section 206.1 – <i>Qualification of Capacity</i> should [or should not] be in effect for a fixed term and why or why not	The rule should be in effect for three years. At that time, the reference levels for incremental and refurbished capacity in 4 (1) (j) and k) should be reviewed. The review should consider the use of incremental and refurbished capacity by market participants and whether the levels continue to be appropriate.
3	whether you understand and agree with the objective or purpose of the proposed new ISO rule – Section 206.1 – <i>Qualification of Capacity</i> and whether, in your view, the proposed new ISO rule – Section 206.1 – <i>Qualification of Capacity</i> meets the objective or purpose	
4	how, in your view, the proposed new ISO rule – Section 206.1 – <i>Qualification of Capacity</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO rule – Section 206.1 – <i>Qualification of Capacity</i>	
6	whether you agree with the proposed new ISO rule – Section 206.1 – <i>Qualification of Capacity</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to the proposed new ISO rule – Section 206.1 – <i>Qualification of Capacity</i>	

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO rule – Section 206.1– Qualification of Capacity

Proposed New ISO rule – Section 206.2 – Self Supply Configurations

Period of Comment:	August 13, 2018	through	August 31, 2018	Contact:	Leonard Olien
Comments From:	Solas Energy Consulting of behalf of the Renewable Energy Coalition			Phone:	403-200-0049
Date [yyyy/mm/dd]:	2018/08/27			Email:	lolien@solasenergyconsulting.com

Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.

Section	Subsection	Proposed language	Stakeholder comments
		Applicability	
1		Section 206.2 applies to: <ul style="list-style-type: none"> (a) the legal owner of a load asset that is served by one or more onsite generating units or aggregated generating facilities; (b) the City of Medicine Hat; and (c) 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: <ul style="list-style-type: none"> (a) metered on a net basis; or (b) is not capable of flowing energy on to the interconnected electric system. 	

Section	Subsection	Proposed language	Stakeholder comments
2	(2)	The City of Medicine Hat must self-supply capacity .	
		Option to Self-supply Capacity	
3	(1)	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: <ul style="list-style-type: none"> (a) such site has a bi-directional net-interval meter; <u>and</u> (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. 	Adding “and” clarifies the requirements.
	(2)	<u>The legal owner of a load asset that is served by one or more onsite generating units or aggregated generating facilities may not self-supply capacity if the load asses and generating units or aggregated generating facilities are separately metered to the Alberta Interconnected Electric System</u>	This point will add clarity to self-Supply options
		Application to Self-supply Capacity	
4		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 <i>Capacity Market Auction Guidelines</i> , a completed application to self-supply capacity including all information or documents that the ISO specifies.	
		Approval to Self-supply Capacity	

Section	Subsection	Proposed language	Stakeholder comments
5		The ISO must, within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> , approve an application to self-supply capacity if the site meets the criteria set out in subsections 2 or 3, as applicable.	
		Capacity from a Self-supply Configuration	
6	(1)	<p>The legal owner of a generating unit or an aggregated generating facility in a self-supply configuration must, in the event that:</p> <ul style="list-style-type: none"> (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, <p>participate in the capacity market with the excess capacity that is not serving the on-site load.</p>	
6	(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)	<p>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:</p> <ul style="list-style-type: none"> (a) the legal owner installs a bi-directional net-interval meter at such site; (b) the legal owner changes generating units or aggregated generating 	

Section	Subsection	Proposed language	Stakeholder comments
		<p>facilities to be metered on a gross basis; and</p> <p>(c) the generating units or aggregated generating facilities are capable of flowing energy on to the interconnected electric system.</p>	
7	(2)	<p>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.</p>	

Please provide your comments on the following (as set out in AUC Rule 017 s. 13(b-j)):

Item #		Stakeholder comments
1	whether you agree that the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i> relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i> should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i> and whether, in your view, the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i> meets the objective or purpose	<p>The implication of section (3) is that a bi-directional interval meter is required in order to self supply. Is that consistent with the purpose of the rule?</p> <p>If not, then the proposed addition (3) (2) can be ignored and (3) (1) needs to be rewritten.</p>
4	how, in your view, the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i>	
6	whether you agree with the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i>	

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO rule – Section 206.2 – Self Supply Configurations

Proposed New ISO rule – Section 206.4 – Offers and Bids for the Capacity Market

Period of Comment:	August 13, 2018	through	August 31, 2018	Contact:	Leonard Olien
Comments From:	Solas Energy Consulting on behalf of the Renewable Energy Coalition			Phone:	403-200-0049
Date [yyyy/mm/dd]:	2018/08/27			Email:	lolien@solasenergyconsulting.com

Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.

Section	Subsection	Proposed language	Stakeholder comments
		Applicability	
1		Section 206.4 applies to: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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 	

Section	Subsection	Proposed language	Stakeholder comments
		<i>Participant Registration.</i>	
2	(2)	A capacity market participant must ensure its offer volume for an asset in a base auction equals the asset's uniform capacity value .	
2	(3)	<p>A capacity market participant must include in each capacity block in an offer for a base auction:</p> <ul style="list-style-type: none"> (a) a price in \$/kW-year to the nearest cent per kW-year which, subject to Section 206.7, of the ISO rules, <i>Capacity Market Mitigation</i>, is: <ul style="list-style-type: none"> (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. 	
2	(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)	<p>A capacity market participant must submit an offer for a rebalancing auction in respect of an asset that:</p> <ul style="list-style-type: none"> (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 	

Section	Subsection	Proposed language	Stakeholder comments
		publishes pursuant to Section 201.10 of the ISO rules , <i>Capacity Market Participant Registration</i> .	
3	(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	(3)	<p>A capacity market participant must include in each capacity block in an offer for a rebalancing auction:</p> <ul style="list-style-type: none"> (a) a price in \$/kW-year to the nearest cent per kW-year which is: <ul style="list-style-type: none"> (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 equal to or greater than 1 MW. 	
3	(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)	<p>A capacity market participant must, except for an asset with incremental capacity, designate in an offer:</p> <ul style="list-style-type: none"> (a) the lowest priced capacity block as a flexible block or inflexible block; and 	

Section	Subsection	Proposed language	Stakeholder comments
		(b) all other capacity blocks as flexible blocks .	
4	(2)	<p>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:</p> <p>(a) the lowest priced capacity block may be designated as an inflexible block; or<u>and</u></p> <p>(b) — in the event that:</p> <p><u>(b) a second capacity block may be offered as an inflexible block provided</u></p> <p>(i) the lowest priced capacity block contains only incremental capacity; and</p> <p>(ii) there is no capacity block <u>at a lower price</u> that contains only non- incremental capacity; and</p> <p>(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;</p> <p>the lowest priced capacity block containing only non-incremental capacity may be designated as an inflexible block, as demonstrated in Appendix 1.</p> <p>in the event that:</p> <p>(i) — the lowest priced capacity block contains only non-incremental capacity;</p>	<p>The principle described in the session was that the lowest price block of incremental capacity could be offered as inflexible. The revised wording is much simpler and allows market participants to offer incremental capacity as inflexible. There is no need to consider overly convoluted cases of mixing incremental and non-incremental capacity in the same capacity block.</p>

Section	Subsection	Proposed language	Stakeholder comments
		<p>(ii) — there is a capacity block that contains only incremental capacity; and</p> <p>(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,</p> <p>the lowest priced capacity block containing only incremental capacity may be designated as an inflexible block, as demonstrated in Appendix 1.</p>	
		<p>Additional Offer Content for Incremental Capacity</p>	
5		<p>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.</p>	
		<p>Additional Offer Content for Refurbished Capacity</p>	
6	(1)	<p>A capacity market participant must, that has failed the market power screen in accordance with Section 206.7, of the ISO rules, <i>Capacity Market Mitigation</i>, for an asset with refurbished capacity, submit:</p> <ul style="list-style-type: none"> (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, <p>unless the capacity market participant declared to permanently delist the refurbished capacity pursuant to Section 206.1 of the ISO rules, <i>Qualification of Capacity</i> in the event it fails to obtain a capacity commitment.</p>	

Section	Subsection	Proposed language	Stakeholder comments
6	(2)	<p>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:</p> <ul style="list-style-type: none"> (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. 	
6	(3)	<p>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.</p>	
6	(4)	<p>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).</p>	
		<p>Bid Content</p>	
7	(1)	<p>A capacity market participant with a capacity commitment may submit a bid in a rebalancing auction:</p> <ul style="list-style-type: none"> (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. 	
7	(2)	<p>A capacity market participant with a capacity commitment must submit a bid, priced at</p>	

Section	Subsection	Proposed language	Stakeholder comments
		<p>\$0.01/kW-year above the maximum price established by the demand curve, in accordance with the following:</p> <ul style="list-style-type: none"> (a) if the asset's assigned uniform capacity value for the last 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, 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 Requirements, a capacity market participant must submit a bid equal to its entire capacity commitment in the first rebalancing auction; (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 (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. 	
7	(3)	The ISO must, if a capacity market participant does not submit a bid in accordance with	

Section	Subsection	Proposed language	Stakeholder comments
		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: <ul style="list-style-type: none"> <li data-bbox="505 764 1518 800">(a) the lowest priced capacity block as a flexible block or inflexible block; and <li data-bbox="505 824 1518 860">(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 <i>Capacity Market Auction Guidelines</i> .	
10	(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.	
10	(3)	The ISO must notify capacity market participants of any change or extension to an offering window made pursuant to subsection 10(2).	
10	(4)	A capacity market participant must submit an offer or bid during the offering window.	
		Offer Submission Methods	

Section	Subsection	Proposed language	Stakeholder comments
11		A capacity market participant must submit an offer or bid for a base auction or rebalancing auction in a manner the ISO determines.	

Please provide your comments on the following (as set out in AUC Rule 017 s. 13(b-j)):

Item #		Stakeholder comments
1	whether you agree that the proposed new ISO rule – Section 206.4 – <i>Offers and Bids for the Capacity Market</i> relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO rule – Section 206.4 – <i>Offers and Bids for the Capacity Market</i> should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of the proposed new ISO rule – Section 206.4 – <i>Offers and Bids for the Capacity Market</i> and whether, in your view, the proposed new ISO rule – Section 206.4 – <i>Offers and Bids for the Capacity Market</i> meets the objective or purpose	
4	how, in your view, the proposed new ISO rule – Section 206.4 – <i>Offers and Bids for the Capacity Market</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO rule – Section 206.4 – <i>Offers and Bids for the Capacity Market</i>	
6	whether you agree with the proposed new ISO rule – Section 206.4 – <i>Offers and Bids for the Capacity Market</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	

Item #		Stakeholder comments
7	whether you would suggest any alternatives to the proposed new ISO rule – Section 206.4 – <i>Offers and Bids for the Capacity Market</i>	
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO rule – Section 206.4 – Offers and Bids for the Capacity Market