

ISO Rules

Part 100 General

Division 103 Administration

Section 103.10 Capacity Award Calculation



External Consultation Draft
October 22, 2018

Applicability

- 1 Section 103.10 applies to
 - (a) the **ISO**.

Requirements

Capacity Award Calculation

- 2 The **ISO** must calculate the monthly capacity award, in Canadian dollars, for an asset subject to a **capacity commitment** as follows:

$$\begin{aligned}
 \text{capacity award} = & \\
 & \{ [\text{commitment}_b \times \text{price}_b \times 1000] \\
 & - [(\text{commitment}_b - \text{commitment}_{r1}) \times \text{price}_{r1} \times 1000] \\
 & - [(\text{commitment}_{r1} - \text{commitment}_{r2}) \times \text{price}_{r2} \times 1000] \} \\
 & \div 12
 \end{aligned}$$

where:

- (a) *Commitment_b* equals the **capacity commitment** in MW after the **base auction**;
- (b) *Price_b* equals the clearing price in \$/kW-year of the **base auction**;
- (c) *Commitment_{r1}* equals the **capacity commitment** in MW after the first **rebalancing auction**, which is also the last **rebalancing auction** for the first 3 **obligation periods**;
- (d) *Price_{r1}* equals the clearing price in \$/kW-year of the first **rebalancing auction**, which is also the last **rebalancing auction** for the first 3 **obligation periods**;
- (e) *Commitment_{r2}* equals the **capacity commitment** in MW after the second **rebalancing auction**, in all other cases; and
- (f) *Price_{r2}* equals:
 - (i) 0 \$/kW-year, in the case of the first 3 **obligation periods**; and
 - (ii) the clearing price in \$/kW-year of the second **rebalancing auction**, in all other cases.

Transition variable

- 3 The **ISO** must:
 - (a) notwithstanding subsection 2(e), set *Commitment_{r2}* as 0 MW when calculating the monthly capacity award in subsection 2 for the first 3 **obligation periods**; and
 - (b) remove subsection 3 on or about the day the settlement for the third **obligation period** is concluded.

Revision History

Date	Description
yyyy-mm-dd	Initial release