

ISO Rules

Part 100 General

Division 103 Administration

Section 103.10 Capacity Payment Calculation



Draft Version
Posted January 2019

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** in an **obligation period** as follows:

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

where:

- (a) commitment_b is the **capacity commitment** in MW after the **base auction**;
- (b) price_b is the clearing price in \$/kW-year of the **base auction**;
- (c) commitment_{r1} is the **capacity commitment** in MW after the first **rebalancing auction**;
- (d) price_{r1} is the clearing price in \$/kW-year of the first **rebalancing auction**;
- (e) commitment_{r2} is the **capacity commitment** in MW after the second **rebalancing auction**;
- and
- (f) price_{r2} is the clearing price in \$/kW-year of the second **rebalancing auction**.

Transition Variables

- 3 The ISO must:
- (a) notwithstanding subsection 2(e), set Commitment_{r2} as 0 MW when calculating the monthly **capacity payment** in subsection 2 for the first 3 **obligation periods**;
 - (b) notwithstanding subsection 2(f), set Price_{r2} as 0 \$/kW-year when calculating the monthly **capacity payment** in subsection 2 for the first 3 **obligation periods**; and
 - (c) remove this 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