

ISO Rules

Part 200 Markets

Division 201 General

Section 201.13 Capacity Market Clearing



External Consultation Draft

August 3, 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
- (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.

(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.
- (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.

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- (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 Constraints 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 congestion 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 congestion 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 congestion 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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Setting Auction Clearing Price

5(1) The **ISO** must establish the clearing price of a **base auction** or **rebalancing auction**, without consideration of **transmission congestion 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