

# ISO Rules

## Part 200 Markets

### Division 201 General

#### Section 201.6 Energy Market Pricing



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#### Applicability

- 1 Section 201.6 applies to:
  - (a) the **ISO**.

#### Requirements

##### Pool Asset Marginal Price

**2(1)** Subject to subsection 2(2), the **ISO** must, for each **pool asset**, set the **pool asset** marginal price for each minute of a **settlement interval** at the price specified for the highest priced **operating block** in the **offer** or **bid** which has received a **dispatch**.

**(2)** In setting the **pool asset** marginal price, the **ISO** must not use that portion of an **operating block** in the **offer** for a **source asset** that has received a **dispatch** that results in a payment for **transmission constraint rebalancing** or that portion of an **operating block** for a **sink asset** that has received a dispatch for **transmission constraint rebalancing**.

##### System Marginal Price

**3(1)** The **ISO** must set the system marginal price at each minute as:

- (a) the highest **pool asset** marginal price as set in accordance with subsection 2;
- (b) \$1,000.00 per MWh if to maintain the reliable operation of the system the **ISO** has issued a **directive** to the **legal owner** of an **electric distribution system** to shed **firm load** in accordance with Section 202.2 of the **ISO rules**, *Supply Shortfall and Short Term Adequacy*, or
- (c) as prescribed in Section 202.7 of the **ISO rules**, *Markets Suspension or Limited Markets Operations*,

**(2)** Notwithstanding subsection 3(1)(a), the **ISO** must not use the **transmission must-run** reference price, as calculated in subsection 5, to set the system marginal price.

##### Pool Price

**4** The **ISO** must set the **pool price** for each **settlement interval** based on the time weighted average of the 60 one-minute system marginal price values determined for each minute of the **settlement interval**.

##### Transmission Must-Run Reference Price

**5(1)** The **ISO** must calculate the **transmission must-run** reference price as follows:

$$\text{transmission must run reference price} = 12.5 \text{ gigajoules} \times \text{gas price}$$

where:

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- (a) gas price is the monthly Canadian natural gas price for the **month** in \$/gigajoules at AECO C and Nova Inventory Transfer, the Alberta Bidweek Spot Price, as published on www.ngx.com, and also in the “Canadian Gas Price Reporter.”
- (2) The **ISO** must use reasonable efforts to use the current **month’s** gas price beginning at midnight on the 2<sup>nd</sup> **business day** of the same **month** but until the **ISO** can update the gas price for the current **month**, the **ISO** must continue to use the previous **month’s** Alberta Bidweek Spot Price.
- (3) If the gas price is no longer available on www.ngx.com, the “Canadian Gas Price Reporter”, or otherwise, then the **ISO** must approve a reasonably equivalent gas price that it will use for purposes of determining the **transmission must-run** reference price and must subsequently, update this section 201.6 to indicate the new source for obtaining the gas price.
- (4) If the **ISO** uses a price other than the gas price identified in subsection 5(1) to calculate the **transmission must-run** reference price, then the **ISO** must:
  - (a) correct the gas price as soon as practicable; but
  - (b) not modify the **pool price** due to any errors in the **transmission must-run** reference price.

#### Forecast Dispatch Price and Forecast Pool Asset Marginal Price

- 6(1) The **ISO** must use reasonable efforts to publish a forecast **dispatch** price for each **settlement interval** on the AESO website no later than 70 minutes prior to the start of such **settlement interval**.
- (2) The **ISO** must set the forecast **dispatch** price for a **settlement interval** at the highest **pool asset** marginal price of all **pool assets** forecast to be required to meet the forecast load requirement, using the expected energy market **merit order** for the **settlement interval** subject to any limits referenced in Section 303.2 of the **ISO rules**, *Available Transfer Capability*.
- (3) The **ISO** must set the forecast **pool asset** marginal price for a **pool asset** for each **settlement interval** at the price specified for the **operating block** in the **offer** or **bid** which corresponds to the forecast energy market **dispatch** level of the **pool asset** to meet the forecast load requirement.

#### Revision History

Date	Description
xxxx-xx-xx	Revised title of rule, amended subsection 3(1)(a), amended subsection 6(2), amended to include transmission must-run before reference price, and administrative amendments.
2015-11-26	Added subsection 2(2) and related revisions to subsection 2(1).
2014-07-02	Added new subsection 6 for subject matter and drafting consistency.
2013-09-24	Updated to bold the term “firm load”.
2013-01-08	Initial Release