

ISO Rules

Part 200 Markets

Division 206 Capacity Market

Section 206.1 Qualification of Capacity



Draft Version
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Applicability

- 1 Section 206.1 applies to:
- (a) a **person** seeking to have the **ISO** qualify **new capacity** for the capacity market;
 - (b) a **capacity market participant**; and
 - (c) the **ISO**.

Requirements

Application for Qualification of Capacity

2 A **person** or **capacity market participant** seeking to qualify an asset for the capacity market must, within the timelines prescribed by the *Capacity Market Auction Guidelines*, provide the **ISO** with:

- (a) the application available on the AESO website, including all information necessary for the **ISO** to assess whether the asset satisfies the applicable criteria in subsection 6; and
- (b) the application fee set out in the *Schedule of ISO Fees*, as applicable.

Attestations for New Capacity, Incremental Capacity and Refurbished Capacity

3(1) A **person** must, within the timelines prescribed by the *Capacity Market Auction Guidelines*, submit to the **ISO** an attestation from a corporate officer as to whether an asset with **new capacity**, in the event that the **capacity market participant** fails to receive a **capacity commitment** for such asset in a **base auction** or **rebalancing auction**, will:

- (a) permanently delist in accordance with Section 201.15 of the **ISO rules**, *Delisting*; or
- (b) continue to participate in the energy and capacity markets.

(2) A **person** must, within the timelines prescribed by the *Capacity Market Auction Guidelines*, declare to the **ISO** the intended interconnection location for an asset with **new capacity**.

(3) A **capacity market participant** must, within the timelines prescribed by the *Capacity Market Auction Guidelines*, submit to the **ISO** an attestation from a corporate officer as to whether the anticipated **maximum capability** of an asset with incremental **capacity**, in the event that the **capacity market participant** fails to receive a **capacity commitment** for such asset in the **base auction** or **rebalancing auction** for all or a portion of the incremental **capacity**, will be:

- (a) the **maximum capability** of the asset without the addition of the incremental **capacity**; or
- (b) the anticipated **maximum capability** with the addition of the incremental **capacity**.

(4) A **capacity market participant** must, within the timelines prescribed by the *Capacity Market Auction Guidelines*, submit to the **ISO** an attestation from a corporate officer as to whether an asset with refurbished **capacity**, in the event that the **capacity market participant** fails to receive a **capacity commitment** for such asset or the portion of such asset that was offered as **refurbished capacity** in the **base auction** or **rebalancing auction**, will:

- (a) permanently delist the asset or a portion of such asset in accordance with Section 201.15 of the **ISO rules**, *Delisting*; or
- (b) continue to participate in the energy and capacity markets.

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(5) A **capacity market participant** for an asset with refurbished **capacity** must, if the attestation submitted in accordance with subsection 3(4) identifies that the asset will continue to participate in the energy and capacity markets and the refurbished **capacity** is anticipated to increase the asset's **maximum capability**, submit to the **ISO** an attestation from a corporate officer as to whether the anticipated **maximum capability** of the asset will be:

- (a) the **maximum capability** of the asset without the addition of the refurbished **capacity**; or
- (b) the anticipated **maximum capability** with the addition of the refurbished **capacity**.

Declaration for a Load Asset

4(1) A **person** seeking to have the **ISO** qualify **new capacity** or incremental **capacity** from a load asset providing a **firm consumption level** must, within the timelines prescribed by the *Capacity Market Auction Guidelines*, declare to the **ISO**:

- (a) the **firm consumption level** for the asset; and
- (b) the qualified baseline reflecting the expected average consumption of a load asset during the **obligation period**.

(2) A **person** seeking to have the **ISO** qualify **new capacity** or incremental **capacity** from a load asset providing a **guaranteed load reduction** must, within the timelines prescribed by the *Capacity Market Auction Guidelines*, declare to the **ISO** a **guaranteed load reduction** reflecting the volume of electric energy in MW that the load asset will reduce consumption by when subject to an energy market **dispatch**.

Declaration for an Import Asset

5 A **person** seeking to have the **ISO** qualify an import asset must, within the timelines prescribed by the *Capacity Market Auction Guidelines*, declare to the **ISO** a volume in MW of **new capacity** or incremental **capacity** from the import asset, which must be less than or equal to the amount of **long-term firm transmission** held by such **person**.

Qualification of an Asset for the Capacity Market

- 6 The **ISO** must, based on the application provided pursuant to subsection 2, be satisfied that:
- (a) the asset will be capable of providing electric energy to or reducing consumption from the **interconnected electric system**;
 - (b) the asset has a **uniform capacity value** greater than or equal to 1 MW;
 - (c) the asset will be developed in accordance with a project plan and timeline that:
 - (i) aligns with the class-specific target completion dates for the milestones published by the **ISO** in accordance with Section 206.5 of the **ISO rules**, *Forward Period Milestone Assessment* that are applicable to the asset; or
 - (ii) appears reasonable, taking into account the type of asset, if class-specific target completion dates for milestones have not been published by the **ISO** in accordance with Section 206.5 of the **ISO rules**, *Forward Period Milestone Assessment* for the asset.
 - (d) the proposed connection of the asset will not impact the reliable operations of the **transmission system**:
 - (i) if the proposed interconnection location provided in subsection 3(2) is to the **transmission system**; or

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- (ii) taking into account whether the proposed connection requires an change in the **contract capacity** at the **point of delivery** or **point of supply** if the proposed interconnection location provided in [subsection 3\(2\)](#) is to the **electric distribution system**;
- (d(e)) the asset 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;
- (ef) the asset is not energy efficiency;
- (fg) in the case of a load asset:
 - (i) can or will be able to reduce consumption during the **obligation period** in a way that is measurable by the **ISO**; and
 - (ii) is or will be a retail or self-retail asset;
- (gh) in the case of a load asset providing **guaranteed load reduction**:
 - (i) is or will be capable of responding to a **dispatch** in the energy market; and
 - (ii) is or will be a **pool asset** with a **maximum capability** equal to or greater than 1 MW;
- (hi) in the case of an **energy storage facility**, is or will be capable of maintaining energy production at the estimated **uniform capacity value** for the **energy storage facility** for a minimum of 4 hours;
- (ij) in the case of an import asset:
 - (i) the **person** has **long-term firm transmission** to Alberta for the estimated **uniform capacity value** for the import asset for the duration of the **obligation period**;
 - (ii) the import asset is not participating as non-recallable **capacity** in a resource adequacy program of another jurisdiction; and
 - (iii) the import asset will only be curtailed on a pro-rata basis by the **balancing authority** of the jurisdiction in which the import asset is located when firm load is curtailed;
- (jk) in the case of an aggregation of assets:
 - (i) has a **uniform capacity value** less than or equal to the **maximum capability** of the largest **generating unit** in Alberta multiplied by 0.85;
 - (ii) has or will have revenue quality interval metering for each site associated with the asset in the aggregation;
 - (iii) is comprised of **pool assets** located within Alberta that are either exclusively:
 - (A) **generating units** or **aggregated generating facilities**;
 - (B) load assets providing a **firm consumption level**; or
 - (C) load assets providing a **guaranteed load reduction**, each with a **maximum capability** equal to or greater than 1 MW;
 - and
 - (iv) is not comprised of any **pool asset** that will contribute **capacity** individually, or as part of another aggregated asset;

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- (k) in the case of incremental **capacity**, will be modified 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:
 - (i) greater than or equal to 1 MW; and
 - (ii) less than or equal to the greater of:
 - (A) 15% of the asset's **maximum capability**; or
 - (B) 40 MW above the asset's **maximum capability**;
- (lm) in the case of refurbished **capacity**, will be modified in a manner that, in the opinion of the **ISO**, will result in either:
 - (i) an increase in the asset's **maximum capability** by an amount exceeding the greater of:
 - (A) 15% of the asset's **maximum capability**; or
 - (B) 40 MW above the asset's **maximum capability**;or
 - (ii) a capital investment of greater than or equal to \$200/kW of the current **maximum capability** of the asset multiplied by the escalation rate calculated in [subsection 6\(2\)](#), [Section 207.3 of the ISO rules](#), [Calculation of Net-CONE](#).

ISO Review of Refurbishment Costs

7(1) The **ISO** must request additional information from the **capacity market participant** concerning any cost information provided in the application referred to in subsection 2 where the **ISO** determines such cost information appears unreasonable.

(2) The **ISO** must, exclude all or a portion of the cost information where the **ISO** determines that such costs are unreasonable, after requesting additional information in accordance with subsection 7(1).

(3) The **ISO** must, where it excludes costs in accordance with subsection 7(2), provide to the **capacity market participant**:

- [\(a\)](#) an itemized list of the costs excluded; and
- [\(b\)](#) reasons for why the costs were excluded.

Review and Approval of Qualification Application

8(1) The **ISO** must qualify an asset for the capacity market if:

- [\(a\)](#) the application provided pursuant to subsection 2 is complete; and
- [\(b\)](#) the **ISO** is satisfied pursuant to subsection 6, as applicable.

(2) The **ISO** must, within the timelines prescribed by the *Capacity Market Auction Guidelines*, notify each **person** or **capacity market participant** as to whether the asset is qualified for the capacity market.

Re-entry of Permanently Delisted Assets

9(1) The **ISO** must, in the case of a generating **source asset** that retired from the energy market or permanently delisted from the capacity market in accordance with Section 201.15 of the **ISO rules**, *Delisting* within the past 5 years, designate the generating **source asset** as **new capacity** if the generating **source asset** meets the following criteria:

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- (a) has undergone a material change including:
 - (A*i*) a change to the primary fuel type;
 - (B*ii*) the addition of generation equipment;
 - (C*iii*) a change to the **maximum capability**; or
 - (D*iv*) the generating **source asset** was sold to a **person**, other than an associate of the **market participant** as defined in subsection 5 of the *Fair, Efficient and Open Competition* Regulation;
—and
- (b) a capital investment of greater than or equal to \$200 of the current **maximum capability** of the asset multiplied by the escalation rate calculated for the **obligation period** in Section 207.3 of the **ISO rules**, *Calculation of Net-CONE*.

Revision History

Date	Description
yyyy-mm-dd	Initial release