

# ISO Rules

## Part 200 Markets

### Division 206 Capacity Market

#### Section 206.1 Qualification of Capacity



External Consultation Draft  
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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** seeking to have the **ISO** qualify refurbished capacity or incremental capacity for the capacity market; and
  - (c) the **ISO**.

#### Requirements

##### Application for Qualification of Capacity

**2(1)** Each **person** or **capacity market participant** must, within the timelines prescribed by the *Capacity Market Auction Guidelines*, provide the **ISO** with a completed application including:

- (a) all information or documents that the **ISO** specifies; and
- (b) any applicable application fee as set out in the *Schedule of ISO Fees*.

**(2)** The **ISO** may request additional clarification or information regarding the application or supporting documents from each **person** or **capacity market participant**.

##### Declaration for New Capacity

**3** A **person** must, within the timelines prescribed by the *Capacity Market Auction Guidelines* and in the manner the **ISO** specifies, submit to the **ISO** an attestation from a corporate officer as to whether an asset with the **new capacity** will:

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

in the event that the **capacity market participant** fails to receive a **capacity commitment** for such asset in the **base auction** or **rebalancing auction**.

##### Declarations for Incremental Capacity and Refurbished Capacity

**34(1)** A **capacity market participant** must, if it has applied to provide proposed incremental capacity, submit to the **ISO**, within the timelines prescribed by the *Capacity Market Auction Guidelines*, ~~submit to the **ISO** a declaration, and~~ in the manner ~~specified by~~ the **ISO**, specifies, an attestation from a corporate officer as to whether the anticipated **maximum capability** of the asset with ~~proposed~~ incremental capacity will be either:

- (a) the **maximum capability** of the asset had the **capacity market participant** not applied for proposed incremental capacity; or
- (b) remain as the anticipated **maximum capability** accounting for the proposed 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 some or all of the proposed incremental capacity.

**(2)** A **capacity market participant** must, within the timelines prescribed by the *Capacity Market Auction Guidelines* and in the manner ~~specified by~~ the **ISO**, specifies, submit to the **ISO** an attestation from a ~~declaration, corporate officer~~ as to whether an asset with refurbished capacity will:

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- (a) permanently delist in accordance with Section ~~206.X201.15~~ of the **ISO rules**, *Delisting*; or
- (b) continue to participate in the energy market and capacity market,

in the event that ~~athe~~ **capacity market participant** fails to receive a **capacity commitment** for such asset in the **base auction** or **rebalancing auction**.

#### Declaration for Load Asset

**5(1)** A **person** must, within the timelines prescribed by the *Capacity Market Auction Guidelines* and in the manner the **ISO** specifies, declare to the **ISO** a **firm consumption level** if the **person** is seeking to have the **ISO** qualify a load asset providing a **firm consumption level** for the capacity market.

**(2)** A **person** must, within the timelines prescribed by the *Capacity Market Auction Guidelines* and in the manner the **ISO** specifies, declare to the **ISO** a **guaranteed load reduction** if the **person** is seeking to have the **ISO** qualify a load asset providing a **guaranteed load reduction** for the capacity market.

#### Declaration for Import Asset

**6** A **person** must, within the timelines prescribed by the *Capacity Market Auction Guidelines* and in the manner the **ISO** specifies, declare to the **ISO** a volume in MW from an import asset, which is less than or equal to the amount of firm transmission, that the **person** is seeking to have the **ISO** qualify for the capacity market.

#### **Qualification of New Capacity, Incremental Capacity and Refurbished Capacity**

**47(1)** The **ISO** must, based on the information in the application and any supporting documents provided pursuant to subsection 2, be satisfied that the asset:

- (a) will be capable of providing energy to or reducing consumption from the **interconnected electric system**;
- (b) has a **uniform capacity value** greater than or equal to 1 MW;
- (c) will be:
  - (i) developed, ~~energized and commissioned~~ in accordance with a project plan and timeline that aligns with the ~~project~~critical milestones established by the **ISO**; and
  - (ii) ~~energized and commissioned prior to the obligation period.~~
- (d) 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;
- (e) is not energy efficiency;
- (f) in the case of a load asset:
  - (i) can or will be able to reduce demand during the **obligation period** in a way that is measureable by the **ISO**; and
  - (ii) is or will be a retail or self-retail asset; and
  - (i) ~~is not located on a site with an onsite generating unit or aggregated generating facility that is participating in the capacity market.~~

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- (g) in the case of an **energy storage facility**, is or will be capable of maintaining energy production at its **uniform capacity value** for a minimum of 4 hours;
- (h) in the case of an import asset:
  - (i) has firm transmission from the import asset to the Alberta border for the duration of the **obligation period**;
  - (ii) is not participating as non-recallable capacity in a resource adequacy program of another jurisdiction; and
  - (iii) will be curtailed on a pro-rata basis by the **balancing authority** of the jurisdiction in which the import asset is located in when load, which is firm, is curtailed.
- (i) in the case of an aggregation of assets:
  - (i) has a **uniform capacity value** less than or equal to the **uniform capacity value** ~~maximum capacity~~ of the largest generating unit in Alberta multiplied by 0.85;
  - (ii) has or will have the appropriate metering the **ISO** specifies for each asset in the aggregation;
  - (iii) is comprised of assets that are either exclusively ~~load assets or exclusively:~~
    - (A) generating units or aggregated generating facilities; located within Alberta;
    - (B) load assets providing a firm consumption level located within Alberta; or
    - (C) load assets providing a guaranteed load reduction located within Alberta;and,
  - (iv) is not comprised of any asset that will contribute capacity individually, or as part of another aggregation, to the capacity market;
- (j) in the case of incremental capacity, will be retrofitted 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**.
- (k) in the case of refurbished capacity, will be retrofitted in a manner that will, in the opinion of the **ISO**, 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 per kW of the asset's **current maximum capability** multiplied by a capital cost escalation rate that is specified by the **ISO**.

(2) The **ISO** may, in a determination made pursuant to subsection 4(1)(k)(ii), reject any cost information submitted by the **capacity market participant** if the **ISO** determines that such costs are unreasonable.

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(3) The **ISO** must qualify an asset with **new capacity**, refurbished capacity or incremental capacity for the capacity market if:

- (a) the application provided pursuant to subsection 2 is complete; and
- (b) the **ISO** is satisfied pursuant to subsection 4Z(1), as applicable.

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

#### Revision History

| Date       | Description     |
|------------|-----------------|
| yyyy-mm-dd | Initial release |