

ISO Rules

Part 200 Markets

Division 206 Capacity Market

Section 206.1 Qualification of Capacity



External Consultation Draft

August 3, 2018

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**.

Declarations for Incremental Capacity and Refurbished Capacity

3(1) A **capacity market participant** must, if it has applied to provide proposed **incremental capacity** within the timelines prescribed by the *Capacity Market Auction Guidelines*, submit to the **ISO** a declaration, in the manner specified by the **ISO**, 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 a **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**, submit to the **ISO** a declaration, as to whether an asset with **refurbished capacity** will:

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

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

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Qualification of New Capacity, Incremental Capacity and Refurbished Capacity

4(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 developed, energized and commissioned in accordance with a project plan and timeline that aligns with the project milestones established by the **ISO**;
- (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 measurable by the **ISO**;
 - (ii) is or will be a retail or self-retail asset; and
 - (iii) is not located on a site with an onsite **generating unit** or **aggregated generating facility** that is participating in the capacity market.
- (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** of the largest generating unit in Alberta;
 - (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 **generating units** or **aggregated generating facilities**; 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

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- (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 **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.
- (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 4(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