

ISO Rules

Part 200 Markets

Division 206 Capacity Market

Section 206.8 Obligation Period Performance Assessments



External Consultation Draft
October 22, 2018

Applicability

- 1 Section 206.8 applies to:
- (a) the **ISO**.

Requirements

Availability Hours during an Obligation Period

2(1) The **ISO** must select 250 hours from each **obligation period** to assess availability as follows:

- (a) calculate the supply cushion for every hour in an **obligation period**;
- (b) rank all hours based on supply cushion in ascending order;
- (c) remove hours in which there was a state of markets suspension;
- (d) within the order referred to in subsection 2(1)(b) and 2(1)(c), rank hours with equivalent supply cushion in ascending order from the most recent to the most distant of time; and
- (e) select the first 250 hours after ranking in accordance with subsection 2(1)(b) and 2(1)(d).

(2) The **ISO** must, in order to establish the availability hours for an asset, remove from the 250 hours identified in subsection 2(1) on an asset-specific basis, hours that the **ISO** determines that the asset is affected by an event of limited markets operations, war, invasion, armed conflict, blockade, act of public enemy, riot, revolution, insurrection, act of terrorism, sabotage, act of vandalism, fire or explosion that does not originate at the asset, lightning, earthquake or flooding.

Delivery Hours for a Settlement Period

3(1) The **ISO** must select hours to assess delivery for a **settlement period** by identifying any hours or portions thereof in which a supply shortfall has occurred and the **ISO** has declared an energy emergency event in accordance with Section 305.1 of the **ISO rules**, *Energy Emergency Alerts*.

(2) The **ISO** must, in order to establish the delivery hours for an asset, remove the following hours from the hours selected in subsection 3(1) on an asset-specific basis:

- (a) hours in which there was a state of markets suspension; and
- (b) hours that the **ISO** determines that the asset was affected by an event of limited markets operations, war, invasion, armed conflict, blockade, act of public enemy, riot, revolution, insurrection, act of terrorism, sabotage, act of vandalism, fire or explosion that does not originate at the asset, lightning, earthquake or flooding.

Look-back Baseline for a Load Asset Providing a Firm Consumption Level

4 The **ISO** must, for each of the availability hours established in subsection 2(2), calculate the look-back baseline as a volume in MW for a load asset as follows:

- (a) identify the **metered energy** for the look-back baseline **settlement intervals** with the same **hour ending** as the availability hour in the **days** which must be either:
 - (i) the 15 most recent **business days** prior to the **day** with the availability hour if the availability hour falls on a **business day**;

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- (ii) the 10 most recent weekend **days** or holidays prior to the **day** with the availability hour if the availability hour falls on a weekend **day** or a holiday; or
 - (iii) the **days** the **ISO** specifies if, in the 45 **day** period prior to the **day** with the availability hour, there are fewer than 15 **business days** and 10 weekend **days** when **days** containing **settlement intervals** identified in subsection 4(b) are excluded;
- (b) determine if any **settlement intervals** referred to in subsection 4(a):
- (i) occurred on days containing availability hours established in subsection 2(2);
 - (ii) occurred on days containing delivery hours established in subsection 3(2); or
 - (iii) occurred on days containing hours in which the asset was subject to a **dispatch** in the energy market or responded to a **directive** for **ancillary services** for an amount greater than 0 MW;
- and
- (c) calculate the average **metered energy** in accordance with the following formula:

$$\text{average metered energy} = \frac{\text{total metered energy}}{\text{settlement intervals}}$$

where:

- (i) *total metered energy* is the **metered energy** for the **settlement intervals** referred to in subsection 4(a):
 - (A) excluding the **metered energy** for the **settlement intervals** identified in subsections 4(b)(i) and 4(b)(ii); and
 - (B) including the addition of the volume of the **directive** for **ancillary services** or a **dispatch** in the **settlement intervals** identified in accordance with subsection 4(b)(iii);
- and
- (ii) *settlement intervals* is the number of **settlement intervals** referred to in subsection 4(a).

Delivery Baseline for a Load Asset Providing Guaranteed Load Reduction

5(1) The **ISO** must, for each of the delivery hours established in subsection 3(2), calculate the standard day baseline in MW as follows:

- (a) identify the **days** for the calculation which must be either:
 - (i) the 10 most recent **business days** prior to the **day** with the delivery hour if the delivery hour falls on a **business day**;
 - (ii) the 5 most recent weekend **days** or holidays prior to the **day** with the delivery hour if the delivery hour falls on a weekend **day** or a holiday; or
 - (iii) the **days** the **ISO** specifies if, in the 35 **day** period prior to the **day** with the delivery hour, there are fewer than 10 **business days** and 5 weekend **days** when **days** identified in subsection 5(1)(b) are excluded or replaced;

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- (b) exclude or replace any of the **days** identified in subsection 5(1)(a) if the following occurred:
 - (i) the asset received a **dispatch** in the energy market, or responded to a **directive** for **ancillary services** for an amount greater than 0 MW;
 - (ii) delivery was assessed in accordance with subsection 9(1);
 - (iii) the load asset was subject to a **delayed forced outage** or **automatic forced outage**;
 - (iv) the load asset was subject to a **planned outage**; or
 - (v) the load asset was tripped for the provision of **load shed service**;
- (c) for each of the **days** identified in accordance with subsections 5(1)(a) excluding or replacing the **days** as indicated in subsection 5(1)(b), identify the **metered energy** for the **settlement interval** with the same **hour ending** as the delivery hour; and
- (d) calculate the average of the **metered energy** for the **settlement intervals** referred to in subsection 5(1)(c).

(2) The **ISO** must, for each delivery hour established in subsection 3(2), calculate an adjustment factor as follows:

$$\text{adjustment factor} = \frac{\text{delivery consumption}}{\text{historical consumption}}$$

where:

- (a) *delivery consumption* is the average consumption in MWh during the 3 hour window occurring 1 hour before the delivery hour; and
- (b) *historical consumption* is the average consumption in MWh during all of the 3 hour windows occurring 1 hour before the same **hour ending** as the delivery hour on the **days** identified in accordance with subsections 5(1)(a) and excluding or replacing the **days** as indicated in subsection 5(1)(b).

(3) The **ISO** must establish the adjustment factor as:

- (a) 1.2 if the adjustment factor calculated in accordance with subsection 5(2) is greater than 1.2;
- (b) 0.8 if the adjustment factor calculated in accordance with subsection 5(2) is less than 0.8; or
- (c) the value calculated in accordance with subsection 5(2) in all other cases.

(4) The **ISO** must calculate the delivery baseline in MW as follows:

$$\text{delivery baseline} = \text{standard day baseline} \times \text{adjustment factor}$$

where:

- (a) *standard day baseline* is the standard day baseline calculated in accordance with subsection 5(1); and
- (b) *adjustment factor* is the adjustment factor established in accordance with subsection 5(3).

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Asset-specific Penalty Rate for Availability Assessment

6(1) The **ISO** must calculate the asset-specific penalty rate in \$/MWh to be applied during the availability assessment, as follows:

$$\text{asset-specific penalty rate} = \frac{\text{capacity award} \times 12}{\text{capacity commitment} \times \text{availability hours}}$$

where:

- (a) *capacity award* in \$/month is calculated for the asset in accordance with Section 103.10 of the **ISO rules**, *Capacity Award Calculation*;
 - (b) *capacity commitment* is the **capacity commitment** associated with the asset; and
 - (c) *availability hours* is the number of availability hours established in accordance with subsection 2(2).
- (2)** The **ISO** must establish the asset-specific penalty rate in \$/MWh as:
- (a) \$133/MWh, if the rate calculated in accordance with subsection 6(1) is less than \$133/MWh and the clearing price of the **base auction** was greater than \$33/kW-year;
 - (b) \$0/MWh, if the rate calculated in accordance with subsection 6(1) is less than \$0/MWh and the clearing price of the **base auction** was less than or equal to \$33/kW-year; or
 - (c) the rate calculated in accordance with subsection 6(1) in all other cases.

Availability Assessment

7(1) The **ISO** must, as soon as practicable after an **obligation period**, identify the asset's availability volume in MWh during each of the availability hours identified in subsection 2 as follows:

- (a) for an asset with a **uniform capacity value** based on a capacity factor as determined in Section 206.3 of the **ISO rules**, *Uniform Capacity Value Determination*, availability volume is the sum of the following for each **settlement interval**, as applicable:
 - (i) **metered energy**;
 - (ii) in the case of an asset that was subject to a **dispatch** for **spinning reserve** or **supplemental reserve**, the volume that was provided according to Section 205.5 of the **ISO rules**, *Spinning Reserve Technical Requirements and Performance Standards* or Section 205.6 of the **ISO rules**, *Supplemental Reserve Technical Requirements and Performance Standards*;
 - (iii) in the case of an asset that provides **regulating reserve**, the volume based on the **regulating reserve** provided pursuant to Section 205.4 of the **ISO rules**, *Regulating Reserve Technical Requirements and Performance Standards* that is not captured as **metered energy**; and
 - (iv) in the case of an asset that was impacted by a **transmission market constraint**, the volume that was curtailed;

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- (b) for an asset with a **uniform capacity value** based on availability factor as determined in Section 206.3 of the **ISO rules**, *Uniform Capacity Value Determination*, availability volume is equal to:
 - (i) the **available capability** submitted into the Energy Trading System where the electric energy was available for **dispatch** for that **settlement interval**; or
 - (ii) 0 MW when there was no electric energy from the asset available for dispatch for that **settlement interval**;
- (c) for a load asset providing **guaranteed load reduction**, availability volume is the **available capability** for that **settlement interval**;
- (d) for a load asset providing **firm consumption level**, availability volume is based on the difference between the look-back baseline calculated in accordance with subsection 4 and the asset's **firm consumption level** as declared for the **obligation period**;
- (e) for self-supply assets that are dispatched gross to grid, availability volume is based on the linear regression approach set out in Section 206.3 of the **ISO rules**, *Determination of Uniform Capacity Value*; and
- (f) for an import asset, availability volume is the **available capability** for that **settlement interval** capped at the volume of long term firm transmission **capacity** for the asset subject to a **capacity commitment**.

(2) The **ISO** must calculate the assessment volume in MWh for an asset in accordance with the following formula:

$$\text{assessment volume} = \left[\sum \text{availability volume} \right] - \text{capacity commitment} \times \text{availability hours}$$

where:

- (a) *availability volume* is the availability volume in MWh identified in subsection 7(1), as applicable;
- (b) *capacity commitment* is the **capacity commitment** associated with the asset; and
- (c) *availability hours* is the number of availability hours established in accordance with subsection 2.

Under-availability Adjustment

8(1) The **ISO** must, when the assessment volume calculated in accordance with subsection 7(2) is negative, calculate the under-availability adjustment in dollars for an asset subject to a **capacity commitment** in accordance with the following formula:

$$\text{under-availability adjustment} = \text{adjustment rate} \times \text{assessment volume}$$

where:

- (a) *adjustment* is the adjustment rate in \$/MWh calculated in accordance with subsection 8(2); and
- (b) *assessment volume* is the assessment volume in MWh calculated in accordance with subsection 7(2).

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(2) The **ISO** must, in calculating the under-availability adjustment under subsection 8(1), calculate the adjustment rate for each asset in accordance with the following formula:

$$\text{adjustment rate} = 0.4 \times 1.3 \times \text{asset-specific penalty rate}$$

where:

(a) *asset-specific penalty rate* is the asset-specific penalty rate in \$/MWh determined in accordance with subsection 6(2).

(3) The **ISO** must, for each asset, limit the under-availability adjustment amount for an **obligation period** to:

- (a) an amount in dollars equal to the annual cap determined in accordance with subsection 14(2) or 14(3), as applicable, minus the sum of all under-delivery adjustments determined in accordance with subsection 12(3) for the **obligation period**, if the sum of the under-availability adjustment determined in accordance with subsection 8(1) and under-delivery adjustments for the **obligation period** is greater than the annual cap; or
- (b) the amount in dollars calculated in accordance with subsection 8(1), in all other cases.

Over-availability Adjustment

9(1) The **ISO** must, when the assessment volume calculated in accordance with subsection 7(2) is positive, calculate the over-availability adjustment in dollars for an asset subject to a **capacity commitment** in accordance with the following formula:

$$\text{over-availability adjustment} = \text{adjustment rate} \times \text{assessment volume}$$

where:

- (a) *adjustment rate* is the adjustment rate calculated in accordance with subsection 9(2); and
- (b) *assessment volume* is the volume in MWh calculated in accordance with subsection 7(2).

(2) The **ISO** must, in calculating the over-availability adjustment in subsection 9(1), calculate the adjustment rate in \$/MWh in accordance with the following formula:

$$|\text{adjustment rate}| = \frac{\sum \text{under-availability adjustments}}{\sum \text{positive assessment volumes}}$$

where:

- (a) *under-availability adjustments* is the sum of all under-availability adjustments determined in accordance with 8(3) for all assets subject to a **capacity commitment** in an **obligation period**; and
- (b) *positive assessment volumes* is the sum of all positive assessment volumes calculated in accordance with subsection 7(2) for all assets subject to a **capacity commitment** in an **obligation period**.

(3) The **ISO** must, for each asset, limit the over-availability adjustment amount for an **obligation period** to an amount in dollars equal to the annual cap determined in accordance with subsection 15 minus the sum of all over-delivery adjustments determined in accordance with subsection 13(3) for the **obligation period**.

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Asset-specific Penalty Rate for Delivery Assessments

10(1) The **ISO** must calculate the asset-specific penalty rate in \$/MWh for an asset, to be applied during the delivery assessments in accordance with the following formula:

$$\text{asset-specific penalty rate} = \frac{\text{capacity award} \times 12}{\text{capacity commitment} \times \text{delivery hours}}$$

where:

- (a) *capacity award* is the capacity award in \$/month calculated for the asset in accordance with Section 103.10 of the **ISO rules**, *Capacity Award Calculation*;
- (b) *capacity commitment* is the **capacity commitment** associated with an asset; and
- (c) *delivery hours* is the greater of:
 - (i) 20; or
 - (ii) the forecasted number of energy supply shortfall hours for the **obligation period** as given in the *Capacity Market Auction Guidelines* published for the last **rebalancing auction** of the **obligation period**.

(2) The **ISO** must establish the asset-specific penalty rate as:

- (a) \$1,667/MWh, if the rate calculated in accordance with subsection 10(1) is less than \$1,667/MWh and the clearing price of the **base auction** was greater than \$33/kW-year;
- (b) \$0/MWh, if the rate calculated in accordance with subsection 10(1) is less than \$0/MWh and the clearing price of the **base auction** was less than or equal to \$33/kW-year; or
- (c) the rate calculated in accordance with subsection 10(1), in all other cases.

Delivery Assessments

11(1) The **ISO** must, as soon as practicable in the **settlement period** following each delivery hour established in subsection 3(2), identify an asset's delivery volume in MWh during each of the delivery hours as follows:

- (a) for an asset with a **uniform capacity value** based on a capacity factor or availability factor, delivery volume is based on the sum of the following for each **settlement interval**, as applicable:
 - (i) **metered energy**;
 - (ii) in the case of an asset that was subject to a **dispatch** for **spinning reserve** or **supplemental reserve**, the volume that was provided in accordance with Section 205.5 of the **ISO rules**, *Spinning Reserve Technical Requirements and Performance Standards* or Section 205.6 of the **ISO rules**, *Supplemental Reserve Technical Requirements and Performance Standards*; and
 - (iii) in the case of an asset that was subject to a **dispatch** for **regulating reserve**, the volume that was provided in accordance with Section 205.4 of the **ISO rules**, *Regulating Reserve Technical Requirements and Performance Standards* that is not captured as **metered energy**;

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- (b) for a load asset that provides a **guaranteed load reduction**, the delivery volume is equal to the delivery baseline calculated in accordance with subsection 5(4) minus the following for each **settlement interval**, as applicable:
 - (i) **metered energy**;
 - (ii) in the case of an asset that was subject to a **dispatch** for **spinning reserve** or **supplemental reserve**, the volume that the volume that was provided in accordance with Section 205.5 of the **ISO rules**, *Spinning Reserve Technical Requirements and Performance Standards* or Section 205.6 of the **ISO rules**, *Supplemental Reserve Technical Requirements and Performance Standards*; and
 - (iii) if the delivery hour occurred on a **day** in which the load asset was subject to a **planned outage, delayed forced outage** or **automatic forced outage**, excluding the first **day** of that **planned outage, delayed forced outage** or **automatic forced outage**, the volume equal to the delivery baseline calculated in accordance with subsection 5(4);
 - (c) for a load asset that provides a **firm consumption level**, delivery volume is equal to the qualified baseline as calculated in accordance with Section 206.3 of the **ISO rules**, *Determination of Uniform Capacity Value* minus the following for each **settlement interval**, as applicable:
 - (i) **metered energy**;
 - (ii) in the case of an asset that provided **spinning reserve** or **supplemental reserve**, the volume that was dispatched; and
 - (iii) if the delivery hour occurred on a **day** in which the load asset was subject to a **planned outage, delayed forced outage** or **automatic forced outage**, excluding the first **day** of that **planned outage, delayed forced outage** or **automatic forced outage**, the volume equal to the qualified baseline calculated in accordance with Section 206.3 of the **ISO rules**, *Determination of Uniform Capacity Value*;
 - (d) for self-supply configurations with excess generation, delivery volume is based on **metered energy**; and
 - (e) for an import asset, delivery volume is the lesser of:
 - (i) the long term firm transmission capacity associated with the import asset; or
 - (ii) the sum of:
 - (A) the volume in a validated **e-tag**; and
 - (B) where the **offer** price is greater than or equal to \$0.01/ MWh and the asset is subject to the limits referenced in Section 303.2 of the **ISO rules**, *Available Transfer Capability*, the volume in the **offer** during the first 2 delivery hours where the asset is subject to the limits.
- (2) The **ISO** must adjust the delivery volumes identified in subsection 11(1) as follows:
- (a) in the case of delivery volume substitutions approved in accordance with Section 206.9 of the **ISO rules**, *Asset Substitution* add or subtract the applicable volume;
 - (b) in the case of an asset that was impacted by a **transmission market constraint**, add the volume that was curtailed to the delivery volume;

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- (c) in the case of a load asset that was subject to a **dispatch** and armed for the provision of **load shed service**, add the **dispatch** volume that was armed to the delivery volume; or
- (d) in the case of volume reallocations in accordance with Section 206.10 of the **ISO rules**, *Volume Reallocation* add or subtract the applicable volume.

(3) The **ISO** must calculate the assessment volume in MWh for an asset subject to a **capacity commitment** during each delivery hour established in subsection 3(2) as follows:

$$\text{assessment volume} =$$

$$\text{delivery volume} - (\text{capacity commitment} \times \text{supply shortfall duration} \times \text{balancing ratio})$$

where:

- (a) *delivery volume* is the delivery volume identified in subsections 11(1) and 11(2);
- (b) *capacity commitment* is the **capacity commitment** associated with the asset;
- (c) supply shortfall duration is the minutes of the supply shortfall event in the settlement interval divided by 60 minutes; and
- (d) *balancing ratio* is the balancing ratio calculated in subsection 11(4).

(4) The **ISO** must, in calculating the assessment volume in subsection 11(3), calculate for each delivery hour established in subsection 3(2), the balancing ratio in accordance with the following formula:

$$\text{balancing ratio} = \min \left\{ \frac{\sum \text{delivery volume}}{\sum \text{capacity commitment}}, 1 \right\}$$

where:

- (a) *delivery volume* is the sum of the delivery volumes calculated in subsection 11(2) for all assets subject to a **capacity commitment**; and
- (b) *capacity commitment* is the sum of the **capacity commitments** associated with all assets.

Under-delivery Adjustment

12(1) The **ISO** must, if the assessment volume determined in accordance with subsection 11(3) is negative, calculate the under-delivery adjustment in dollars for an asset subject to a **capacity commitment** in accordance with the following formula:

$$\text{under-delivery adjustment} = \text{adjustment rate} \times \text{assessment volume}$$

where:

- (a) *adjustment rate* is the adjustment rate calculated in subsection 12(2); and
- (b) *assessment volume* is the assessment volume determined in subsection 11(3).

(2) The **ISO** must, in calculating the under-delivery adjustment rate in subsection 12(1), calculate the adjustment rate in \$/MWh in accordance with the following formula:

$$\text{adjustment rate} = 0.6 \times 1.3 \times \text{asset-specific penalty rate}$$

where:

- (a) *asset-specific penalty rate* is the asset-specific penalty rate determined in subsection 10.

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(3) The **ISO** must, for each asset, cap the under-delivery adjustment amount for each **settlement period** at the lesser of:

- (a) the monthly cap determined in accordance with subsection 14(1), as applicable; or
- (b) an amount equal to the annual cap determined in accordance with subsection 14(2) or 14(3), as applicable, minus the sum of all under-delivery adjustments calculated in accordance with this subsection 12(3) for the prior **settlement periods** of the **obligation period**.

Over-delivery Adjustment

13(1) The **ISO** must, when the assessment volume determined in accordance with subsection 11(3) is positive, calculate the over-delivery adjustment in dollars for an asset subject to a **capacity commitment** in accordance with the following formula:

$$\text{over-delivery adjustment} = \text{adjustment rate} \times \text{assessment volume}$$

where:

- (a) *adjustment rate* is the adjustment rate calculated in subsection 13(2); and
- (b) *assessment volume* is the assessment volume determined in subsection 11(3).

(2) The **ISO** must, in calculating the over-delivery adjustment in subsection 13(1), calculate the adjustment rate in \$/MWh in accordance with the following formula:

$$|\text{adjustment rate}| = \frac{\sum \text{under-delivery adjustments}}{\sum \text{positive assessment volumes}}$$

where:

- (a) *under-delivery adjustments* is sum of the under-delivery adjustments in dollars determined in accordance with 12(3) for all assets subject to a **capacity commitment** in an **obligation period**; and
- (b) *positive assessment volumes* is the sum of all positive assessment volumes calculated in accordance with subsection 11(3) for all assets subject to a **capacity commitment** in an **obligation period**.

(3) The **ISO** must, for each asset, limit the over-delivery adjustment amount in dollars for a **settlement period** to an amount equal to the annual cap determined in accordance with subsection 15 minus the sum of all over-delivery adjustments determined in accordance with this subsection 13(3) for the prior **settlement periods** of the **obligation period**.

Maximum Payment Adjustments for Under-availability and Under-delivery

14(1) The **ISO** must cap under-delivery adjustments for an asset during a **settlement period** at:

- (a) 3 times the capacity award calculated in accordance with Section 103.10 of the **ISO rules**, *Capacity Award Calculation*; or
- (b) an amount calculated in accordance with the following formula, if the asset-specific penalty rate for an asset's delivery assessments is established at \$1,667/MWh in accordance with subsection 10(2)(a):

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$$\begin{aligned} & \text{monthly under delivery payment adjustment cap} \\ & = \text{default rate} \times \text{capacity commitment} / 12 \times 3 \end{aligned}$$

where:

- (i) *default rate* is \$33/kW-year * 1000; and
- (ii) *capacity commitment* is the **capacity commitment** associated with the asset.

(2) The **ISO** must, subject to subsection 14(3), cap the sum of any under-availability adjustment and under-delivery adjustments for an asset in an **obligation period** at an amount in dollars calculated in accordance with the following formula:

$$\text{annual under performance cap} = \text{capacity award} \times 12 \times 1.3$$

where:

- (a) *capacity award* is the asset's monthly capacity award calculated in accordance with Section 103.10 of the **ISO rules**, *Capacity Award Calculation*.

(3) The **ISO** must, if the asset-specific penalty rate for an asset's availability assessment is established at \$133/MWh in accordance with subsection 6(2)(a), or if the asset-specific penalty rate for an asset's delivery assessments is established at \$1,667/MWh in accordance with subsection 10(2)(a), cap the sum of any under-availability adjustment and under-delivery adjustments for such asset in an **obligation period** at an amount in dollars equal to:

$$\text{annual under performance cap} = \text{default rate} \times \text{capacity commitment} \times 1.3$$

where:

- (a) *default rate* is \$33/kw-year x 1000; and
- (b) *capacity commitment* is the **capacity commitment** associated with an asset.

Maximum Payment Adjustments for Over-availability and Over-delivery

15(1) The **ISO** must, notwithstanding subsection 15(2), cap the sum of any over-availability adjustment and over-delivery adjustments for an **obligation period** at an amount in dollars for an asset in accordance with the following formula:

$$\text{annual over performance cap} = \text{capacity award} \times 12$$

where:

- (a) *capacity award* is the asset's monthly capacity award in \$/month calculated in accordance with Section 103.10 of the **ISO rules**, *Capacity Award Calculation*.

(2) The **ISO** must, if the asset-specific penalty rate for an asset's availability assessment is established at \$133/MWh in accordance with subsection 6(2)(a) or if the asset-specific penalty rate for an asset's delivery assessments is established at \$1,667/MWh in accordance with subsection 10(2)(a), cap the sum of any over-availability adjustment and over-delivery adjustments for each **obligation period** at an amount in dollars for such asset in accordance with the following formula:

$$\text{annual over performance cap} = \text{default rate} \times \text{capacity commitment}$$

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where:

- (a) *default rate* is \$33/kw-year x 1000; and
- (b) *capacity commitment* is the **capacity commitment** associated with an asset.

Revision History

Date	Description
xxxx-xx-xx	Initial release