# Draft Version

**Posted January 2019**

## Applicability

**1** Section 206.9 applies to:

(a) a **capacity market participant**; and

(b) the **ISO**.

## Requirements

### Delivery Volume Substitution Request

**2(1)** A **capacity market participant** for an asset subject to a **capacity commitment** must, in order to substitute delivery volumes from another asset, submit a complete application, available on the AESO website, to the **ISO** following the last **rebalancing auction**, prior to the effective time of the substitution.

**(2)** A **capacity market participant** must include in the application referred to in subsection 2(1) the following:

(a) the unique identifiers of the assets receiving and providing the substitute delivery volume referred to in subsection 2(1);

(b) verification that the **capacity market participant** providing the substitute delivery volumes agrees with the substitution;

(c) the effective time and duration of the delivery volume substitution; and

(d) the amount of delivery volume subject to the substitution.

**(3)** The **ISO** may request additional clarification or information regarding a delivery volume substitution request or supporting documents from the **capacity market participant**.

### Delivery Volume Substitution Approval

**3(1)** The **ISO** must, based on the information in the application provided in accordance with subsection 2, be satisfied that:

(a) the asset providing the substitute delivery volume:

(i) has an assigned **uniform capacity value** and is not subject to a **capacity commitment** for the **obligation period**; or

(ii) is subject to a **capacity commitment** less than the **uniform capacity value** of the asset for the **obligation period**;

(b) where the substitute delivery volume is provided from an asset with **new capacity**, refurbished **capacity** or incremental **capacity** such asset will be energized and commissioned by the effective date of the substitution;

(c) the duration of the substitution is:

(i) a minimum of 1 **settlement interval**; and

(ii) up to a maximum of an entire **obligation period**;

(d) the amount of the substitution is:

(i) a minimum of 1 MW; and

(ii) equal to or less than the **capacity commitment** associated with the asset receiving the substitute delivery volumes;

(e) the substitution has been agreed to by the **capacity market participant** providing the substitute delivery volume;

(f) where multiple substitutions are in effect or proposed for the asset receiving the substitute delivery volumes over the same duration, the total substitute delivery volume must be less than or equal to the **capacity commitment** of that asset; and

(g) the substitute delivery volume is not committed to a different asset under this section 206.9 for all or a portion of the duration in subsection 2(2)(c).

**(2)** The **ISO** must approve the application referred to in subsection 2(1) if:

(a) the application is complete; and

(b) the **ISO** is satisfied pursuant to subsection 3(1).

## Excess Delivery Volumes from an Asset

**4(1)** The **ISO** must, following a delivery hour, calculate the excess delivery volumes for an asset providing substitute delivery volumes pursuant to a substitution approved by the **ISO** in subsection 3(2) in accordance with the following formula:

$$excess\ delivery\ volume =$$

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

where:

(a) *delivery volume* is the delivery volume identified in accordance with Section 206.8 of the **ISO rules**, *Obligation Period Performance;*

(b) *capacity commitment* is:

(i) the **capacity commitment** associated with the asset; or

(ii) 0, in the case that the asset is not subject to a **capacity commitment**;

(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 for the delivery hour in accordance with Section 206.8 of the **ISO rules**, *Obligation Period Performance*.

**(2)** The **ISO** must, following a delivery hour, calculate the delivery assessment volume in accordance with Section 206.8 of the **ISO rules**, *Obligation Period Performance*, for an asset approved to receive substitute delivery volumes from the asset referred to in subsection 4(1) without adjusting for any substitutions.

**(3)** The **ISO** must, if the excess delivery volume calculated in subsection 4(1) is positive, allocate the excess delivery volume to the assets that have a negative delivery assessment volume calculated in subsection 4(2) based on the order in which the requests for substitution from the asset referred to in subsection 4(1) were received by the **ISO**.

**(4)** The **ISO** must, when allocating the excess delivery volume in subsection 4(3), allocate an amount of excess delivery volume up to the value of the asset's negative delivery assessment volume.

**(5)** The **ISO** must, if any excess delivery volumes remain after allocating in accordance with subsections 4(3) and 4(4), allocate the remaining excess delivery volume to the asset referred to in subsection 4(1) that is providing substitute delivery volumes.

### Revision History

| Date | Description |
|---|---|
| xxxx-xx-xx | Initial release |