

ISO Rules

Part 200 Markets

Division 206 Capacity Market

Section 206.9 Asset Substitution



External Consultation Draft
August 31, 2018

Applicability

- 1 Section 206.9 applies to:
- (a) a **capacity market participant**; and
 - (b) the **ISO**.

Requirements

Eligible Substitute Capacity

2(1) A **capacity market participant** with a **capacity commitment** may substitute all or a portion of its **capacity commitment** with **capacity** from 1 or more assets that are:

- (a) subject to a **capacity commitment**:
 - (i) of 0 MW for the **obligation period**; or
 - (ii) less than its **uniform capacity value** for the **obligation period**;
- (b) not subject to a **transmission market constraint** during the substitution; and
- (c) in the case of **new capacity**, refurbished capacity or incremental capacity, qualified by the **ISO** pursuant to Section 206.1 of the **ISO rules**, *Qualification of Capacity* and will be energized and commissioned by the start date and time of the substitution.

(2) A **capacity market participant** may substitute **capacity** from one or more assets identified in subsection 2(1):

- (a) for a minimum of one **settlement interval**;
- (b) up to a maximum of an entire **obligation period**; and
- (c) for a duration that is a whole number of **settlement intervals**.

Asset Substitution Request

3(1) A **capacity market participant** must, in order to substitute all or a portion of its **capacity commitment** with eligible substitute **capacity** in accordance with subsection 2, submit a complete request for substitution to the **ISO** prior to the start date and time of the substitution.

(2) A **capacity market participant** must, in the request referred to in subsection 3(1) submit the following information to the **ISO**:

- (a) the unique identifier of the asset providing substitute **capacity**;
- (b) evidence of agreement to substitute between all **capacity market participants** for the assets to the substitution;
- (c) the start date and time of the substitution;
- (d) the end date and time of the substitution;
- (e) the proposed substitute **capacity** in MW, which must be a whole value greater than or equal to 1;
- (f) if the **capacity market participant** is proposing multiple substitution requests for the same asset for the same duration, the total of all other proposed substitute **capacity** from other assets; and

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(g) any other information specified by the **ISO**.

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

Asset Substitution Approval

4(1) The **ISO** must, based on the information in the substitution request and any supporting documents provided pursuant to subsection 3, be satisfied that:

- (a) the substituted capacity is at least 1 MW;
- (b) the substitution has been approved by all applicable **capacity market participants** for the assets to the substitution;
- (c) the start date and time of the asset substitution is after the last **rebalancing auction** for an **obligation period**;
- (d) the duration of the asset substitution satisfies subsection 2(2);
- (e) the substitute **capacity** is equal to or less than the **capacity commitment** of the asset the **capacity market participant** submitted the request for;
- (f) if the **capacity market participant** is proposing multiple substitution requests for the same asset for the same duration, the total of all proposed substitute **capacity** must be less than or equal to the **capacity commitment** of the asset the **capacity market participant** submitted the request for; and
- (g) the substitute **capacity** is not otherwise approved for substitution pursuant to subsection 4(2) or requested for substitution with a different asset for the duration requested or portion thereof.

(2) The **ISO** must approve the substitution requested pursuant to subsection 3 for the asset if:

- (a) the request provided in subsection 3 is complete; and
- (b) the **ISO** is satisfied pursuant to subsection 4(1).

Delivery Assessment for Substitute Capacity

6 The **ISO** must, when calculating the under-delivery adjustment or over-delivery adjustment for approved substitute **capacity** in respect of the asset which requested the substitution, use the methodology in Section 206.8 of the **ISO rules**, *Obligation Period Performance Assessments* based on:

- (a) the technology of the substitute **capacity**;
- (b) any asset-specific penalty rates determined for the asset which requested the substitution;
- (c) any maximum payment adjustment amounts for under-delivery and over-delivery for the asset which requested the substitution.

Excess Delivery Volumes from an Asset Providing Substitute Capacity

7(1) The **ISO** must calculate for each delivery hour and without regard to any approved substitutions, the delivery assessment volumes in accordance with Section 206.8 of the **ISO rules**, *Obligation Period Performance Assessments* for:

- (a) the asset providing substitute **capacity**; and
- (b) any asset approved for substitution with the asset in subsection 7(1)(a) for that delivery hour.

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(2) The **ISO** must, if the delivery assessment volume from subsection 7(1)(a) is positive, determine the excess delivery volume from that asset providing substitute **capacity** if the assessment volume is reduced to zero.

(3) The **ISO** must apportion the excess delivery volume from subsection 7(2) to any asset approved for substitution in that delivery hour and recalculate the delivery assessment volumes subject to the limitation that the recalculated delivery assessment volume of each applicable asset will be zero, if possible, or else less than zero and as follows:

- (a) apportion the excess delivery volume to any assets approved for substitution in the order that the request for substitution was received; and
- (b) apportion any remaining excess delivery volume back to the asset providing substitute **capacity** without limitation on that assets delivery assessment volume.

Revision History

Date	Description
xxxx-xx-xx	Initial release