

# ISO Rules

## Part 500 Transmission

### Division 505 Legal Owners of Generating Facilities

#### Section 505.2 Performance Criteria for Refund of Generating Unit Owner's Contribution



External Consultation Draft  
August 31, 2018

#### Applicability

- 1 Section 505.2 applies to:
- the **ISO**.

#### Requirements

##### Performance Assessment

**2(1)** The **ISO** must use the performance criteria in this section 505.2, in accordance with section 29(5) of the *Transmission Regulation*, to assess the satisfactory performance of a generation facility, being a **generating unit** or an **aggregated generating facility**, for which an **electricity market participant**:

- has paid to the **ISO** a **legal owner's** contribution for the generation facility in accordance with subsection 4 of section 10 of the **ISO tariff**; and
- may receive a refund of that contribution in accordance with subsection 5 of section 10 of the **ISO tariff**.

**(2)** The **ISO** must calculate the performance assessment for the 2015 calendar year and each subsequent calendar year as:

- the availability assessment calculated in accordance with subsection 3, 4 or 5 below, as applicable,

multiplied by

- the overcontract assessment calculated in accordance with subsection 6 below.

**(3)** The **ISO** must calculate refund for each calendar year during the refund period as:

$$\text{refund} = \text{annual amount} \times \text{performance assessment},$$

where the annual amount is as specified in subsection 5(3) of section 10 of the **ISO tariff**, and the performance assessment is calculated in accordance with subsection 2(2) of this section 505.2.

##### Availability Assessment for Generation Other Than Wind, Hydro, Less Than 5 MW and Behind-the-Fence

**3(1)** The **ISO** must calculate the availability assessment in accordance with this subsection 3 for a generation facility that:

- is not a hydro or wind generation facility;
- has a **maximum capability** of 5 MW or greater; and
- is not a generation facility that is behind-the-fence and primarily intended to fully or partially serve onsite industrial load.

**(2)** The **ISO** must calculate the availability assessment individually for each generation facility to which this subsection 3 applies.

**(3)** The **ISO** must calculate the average hourly availability for each generation facility, where:

- hourly availability (time weighted) =  $\frac{\text{available capability}}{\text{maximum capability}}$ ; and

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(b) average hourly availability =  $\frac{\sum \text{hourly availability for all hours of the year}}{\text{number of hours in the year}}$

(4) The ISO must calculate the availability assessment for each generation facility, based on the average hourly availability as follows:

| Average Hourly Availability | Availability Assessment   |
|-----------------------------|---|
| Less than 0.60              | 0%  |
| 0.60 to 0.80                | $\frac{\text{average hourly availability} - 0.60}{0.20} \times 100\%$ |
| Greater than 0.80           | 100%  |

#### Availability Assessment for Generation Using Wind or Hydro or Less Than 5 MW

4(1) The ISO must calculate the availability assessment in accordance with this subsection 4 for a generation facility that:

- (a) is a hydro or wind generation facility; or
- (b) has a **maximum capability** of less than 5 MW.

(2) The ISO must:

- (a) calculate the availability assessment in aggregate for all generation facilities that are served under a single Rate STS **system access service** agreement; and
- (b) apply the aggregate availability assessment to each generation facility to which this subsection 4 applies.

(3) The ISO must calculate the average hourly availability in aggregate for all generation facilities that are served under a single Rate STS **system access service** agreement, over all hours in the period during which performance is being assessed, where:

- (a) for an hour during a month in which Rate STS **contract capacity** is greater than zero (0):

$$\text{hourly availability (time weighted)} = \frac{\text{metered energy} + \text{dispatch volume of operating reserves}}{\text{Rate STS contract capacity}};$$

- (b) for an hour during a month in which Rate STS **contract capacity** is zero (0):

$$\text{hourly availability} = 1.00 ; \text{ and}$$

- (c) average hourly availability =  $\frac{\sum \text{hourly availability for all hours of the year}}{\text{number of hours in the year}}$

(4) The ISO must calculate the availability assessment in aggregate for all generation facilities that are served under a single Rate STS **system access service** agreement, based on the average hourly availability as follows:

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| Average Hourly Availability | Availability Assessment   |
|-----------------------------|---|
| Less than 0.15              | 0%  |
| 0.15 to 0.25                | $\frac{\text{average hourly availability} - 0.15}{0.10} \times 100\%$ |
| Greater than 0.25           | 100%  |

#### Availability Assessment for Behind-the-Fence Generation

**5(1)** The **ISO** must calculate the availability assessment in accordance with this subsection 5 for a generation facility that is behind-the-fence and primarily intended to fully or partially serve onsite industrial load.

**(2)** The **ISO** must:

- (a) calculate the availability assessment in aggregate for all generation facilities that are served under a single Rate STS **system access service** agreement; and
- (b) apply the aggregate availability assessment to each generation facility to which this subsection 5 applies.

**(3)** The **ISO** must calculate the average hourly availability in aggregate for all generation facilities that are served under a single Rate STS **system access service** agreement, over all hours in the period during which performance is being assessed, where:

- (a) if the generation facility offers on a net basis:
  - (i) for an hour during a month in which Rate STS **contract capacity** is greater than zero (0):

$$\text{hourly availability (time weighted)} = \frac{\text{total available capacity}}{\text{Rate STS contract capacity}}; \text{ and}$$

- (ii) for an hour during a month in which Rate STS **contract capacity** is zero (0):

$$\text{hourly availability} = 1.00 ;$$

- (b) if the generation facility offers on a gross basis:

$$\text{hourly availability (time weighted)} = \frac{\text{available capability}}{\text{maximum capability}}; \text{ and}$$

- (c) average hourly availability =  $\frac{\sum \text{hourly availability for all hours of the year}}{\text{number of hours in the year}}$

**(4)** The **ISO** must calculate the availability assessment in aggregate for all generation facilities that are served under a single Rate STS **system access service** agreement, based on the average hourly availability as follows:

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| Average Hourly Availability | Availability Assessment   |
|-----------------------------|---|
| Less than 0.60              | 0%  |
| 0.60 to 0.80                | $\frac{\text{average hourly availability} - 0.60}{0.20} \times 100\%$ |
| Greater than 0.80           | 100%  |

#### Overcontract Assessment

**6(1)** The **ISO** must, for a generation facility to which this section 505.2 applies:

- calculate the overcontract assessment in aggregate for all generation facilities that are served under a single Rate STS **system access service** agreement; and
- apply the aggregate overcontract assessment to each generation facility that is served under that Rate STS **system access service** agreement.

**(2)** The **ISO** must calculate the overcontract factor in aggregate for all generation facilities that are served under a single Rate STS **system access service** agreement, based on the **metered energy** supplied above Rate STS **contract capacity**, over all hours in the period during which performance is being assessed, as follows:

$$\text{overcontract factor} = \frac{\sum(\text{metered energy} - \text{Rate STS contract capacity})}{\sum \text{Rate STS contract capacity}} \times 100\%$$

hours when metered energy > Rate STS contract capacity  
all hours

**(3)** The **ISO** must, in any month in which Rate STS **contract capacity** is less than 5 MW, deem Rate STS **contract capacity** to be 5 MW during that month for the calculation of the overcontract factor in subsection 6(2) above.

**(4)** The **ISO** must exclude from the calculation of the overcontract factor in subsection 6(2) above any hours in which the **ISO** issues a **directive** to the **legal owner** of a generation facility to temporarily exceed the Rate STS **contract capacity** during an **emergency**.

**(5)** The **ISO** must calculate the overcontract assessment in aggregate for all generation facilities that are served under a single Rate STS **system access service** agreement, based on the overcontract factor calculated in subsection 6(2) above as follows:

| Overcontract Factor | Overcontract Assessment                                       |
|---------------------|---|
| Less than 0.01      | 100%  |
| 0.01 to 0.05        | $\frac{0.05 - \text{overcontract factor}}{0.04} \times 100\%$ |
| Greater than 0.05   | 0%  |

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#### Adjustments

**7** The **ISO** may make adjustments to the hourly availability and/or the overcontract factor where the hourly availability and/or the overcontract factor are affected by events outside the control of the **owner** of a generation facility, including but not limited to a transmission and/or distribution facility outage, congestion, a **directive** issued by the **ISO** or a circumstance arising under the **ISO tariff** or an **ISO rule**.

#### Communication

**8** The **ISO** must provide a preliminary performance assessment, along with all related input data, to the **owner** of a generation facility by January 31 of the year following the calendar year to which the refund relates.

#### Revision History

| Date       | Description   |
|------------|---|
| XXXX-XX-XX | Revision to clarify “market participant” as “electricity market participant”. |
| 2016-01-29 | Initial release.  |