

# **Transition to Capacity Market Forward and Rebalancing Auctions**

Design Work Group

February 13, 2018

# Agenda

- Review timelines for forward and rebalancing auctions
- Review the transition period
- Seek input from the work group

# Forward capacity market proposed steady-state timeline

- The forward capacity market
  - requires 8 months of pre-auction activity
  - auction occurs 36 months prior to the obligation period
- This timeline holds for the rebalancing auctions
- A transition process will be required for the 2021/22, 2022/23, 2023/24 obligation period auctions



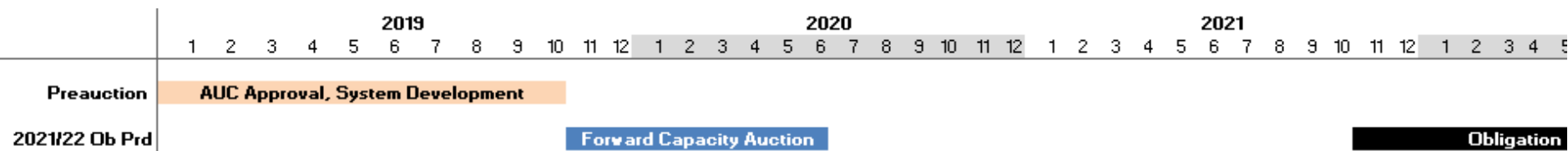
# Proposed transition period

- The transition to the steady state auction format will take three years to complete
- During the period between auction date and the start of the obligation period will be compressed and there will be less rebalancing auctions
- The first auction is planned to be commence with prequalifying in November 2019

# Forward Capacity Auction 2021/22



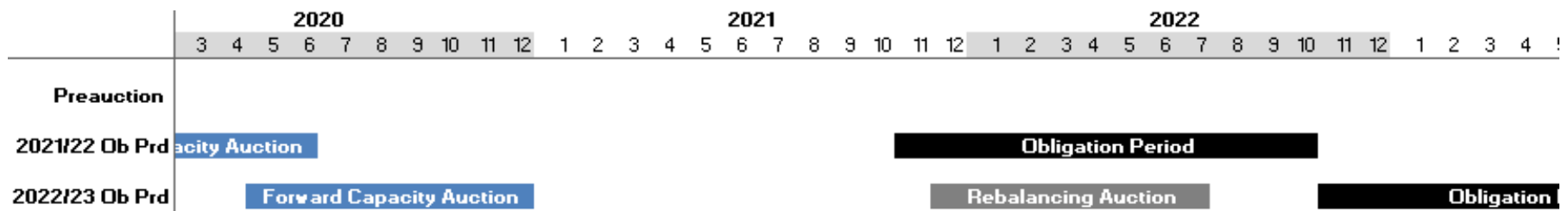
- 2021/22 Obligation period
  - One forward capacity auction
- Timeline requires rules drafting to end of 2018 and the AUC approval process to be complete by October 2019
- Prequalifying to commence November 2019
- Auction date expected to be held June 2020



# Forward capacity auction 2022/23



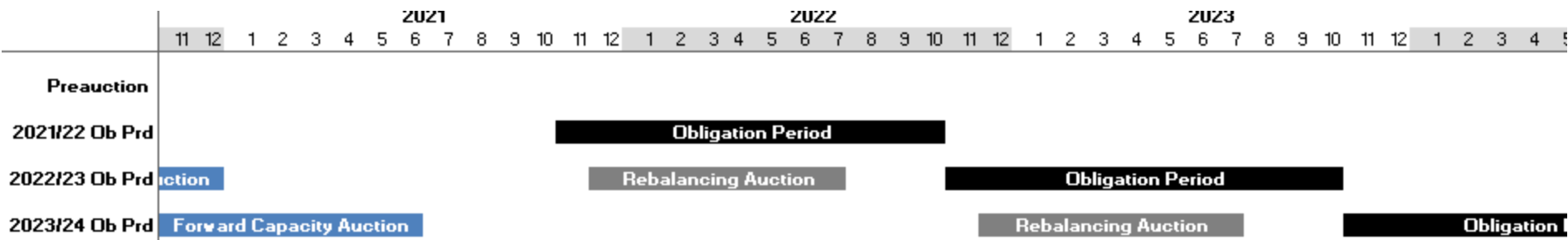
- 2022/23 Obligation period (bottom row of graphic)
  - Forward capacity auction
  - One rebalancing auction
- Forward Capacity Auction
  - Prequalifying to commence May 2020
  - Auction to be held December 2020
- Rebalancing
  - Prequalification commence December 2021
  - Auction to be held July 2022



# Forward Capacity Auction 2023/24



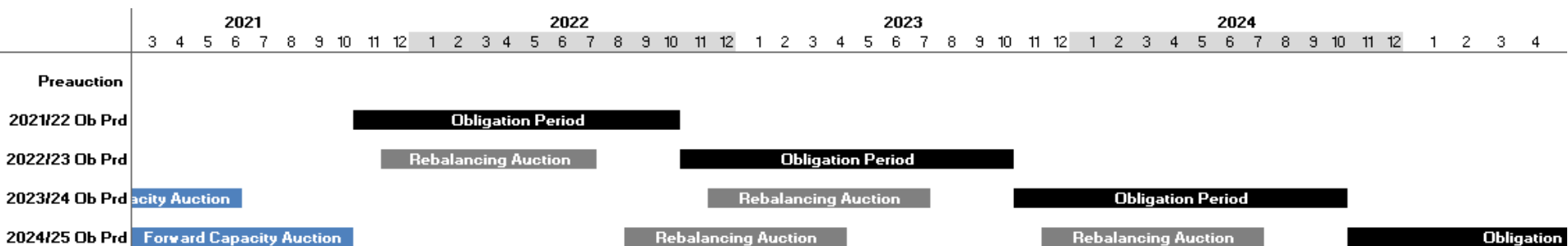
- 2023/24 Obligation period (bottom row of graphic)
  - One forward capacity auction
  - One rebalancing auction
- Forward Capacity Auction
  - Prequalifying to commence November 2022
  - Auction to be held June 2022
- Rebalancing
  - Prequalification commence December 2022, Auction to be held July 2023



# Forward Capacity Auction 2024/25: Regular Schedule



- 2024/25 Obligation period (bottom row of graphic)
  - One forward capacity auction
  - Two rebalancing auctions
- Forward Capacity Auction
  - Prequalifying to commence March 2021, Auction to be held October 2021
- Rebalancing
  - Rebalancing 1: prequalification commence September 2022, Auction to be held April 2023
  - Rebalancing 2: prequalification commence December 2023, Auction to be held July 2024





# Seeking Input

- During transition
  - Any questions related to the schedule?
  - Is a rebalancing auction for first obligation period 2021/22 required?

# Appendix summary of auction commencements

