

(c) the security requirements for a new capacity asset set out in subsection 2.1.15.

2.1.18 The AESO must notify all applicants of the prequalification results. Prequalified capacity assets will proceed to the qualification period. Please refer to Section 3, *Calculation of Unforced Capacity (UCAP) Ratings* for more information.

Prequalification for subsequent auctions

2.1.19 A prequalified capacity asset will remain prequalified for each subsequent capacity auction unless:

- (a) the capacity market participant loses capacity market participant status; or
- (b) the capacity market participant:
 - i. fails to submit sufficient evidence to the AESO that certain project milestones have been achieved during the forward period;
 - ii. performs retrofits to the asset that meet or exceed the thresholds for a refurbished capacity asset in subsection 2.1.12 or the thresholds for an incremental capacity assets in subsection 2.1.14;
 - iii. changes its self-supply designation;
 - iv. delists the asset; or
 - v. for an external capacity asset, no longer holds firm transmission for the obligation period for the UCAP of the asset.

2.2 Self-supply designations

2.2.1 The following are required to self-supply capacity:

- (a) the City of Medicine Hat;
- (b) a site with onsite generation² that is only net-metered;³ and
- (c) a site with onsite generation that is net-metered and cannot physically flow its gross volumes due to system connection limitations.

2.2.2 A site where load is served by on-site generation that can physically flow its gross volumes to the interconnected electric system has the option to self-supply capacity if it has a bi-directional net-interval meter at the connection point to the interconnected electric system. Legal owners seeking a self-supplier designation must submit a request to the AESO within the timelines prescribed in the auction guidelines.

2.2.3 The AESO will review self-supply designation requests and approve those that meet the criteria in subsection 2.2.2. Self-supply designations will remain in effect for at least 4 years. Self-suppliers may submit a change in self-supply status inside of 4 years provided the participant can demonstrate a physical change to the operation of the site. Sites who intend to self-supply or no longer self-supply must declare its intention to the AESO within the timelines prescribed in the auction guidelines.

2.2.4 The AESO will determine the volume of self-supply capacity by subtracting the sites' net load from its gross load in the 250 tightest supply cushion hours per year for the past 5 years. If the net load equals zero the entire site load is self-supplied.

² Sites with onsite generation include Industrial System Designation sites and sites under the Duplication Avoidance Tariff.

³ Net meters measure electricity at the connection to the grid. Gross meters measure electricity at the electric terminus of the generator.

- 2.2.5 The excess load (i.e., net load) in a self-supply arrangement may apply to the AESO to prequalify as a demand response asset, in accordance with subsection 2.1.8. However, a self-supply site cannot participate as both a demand response asset and a generating capacity asset in the same obligation period.

2.3 Delisting

- 2.3.1 A capacity market participant with an asset that is unable to participate in the Alberta capacity, energy and ancillary services markets for physical or economic reasons must submit a temporary delist request or a permanent delist notification, as applicable, to the AESO within the timelines prescribed in the auction guidelines.
- 2.3.2 A capacity market participant with an asset that is currently on an extended mothball outage pursuant to Section 306.7 of the ISO rules, *Mothball Outage Reporting* must submit a temporary delist request or permanent delist notification if they want to remain mothballed for the first applicable capacity obligation period.

AESO review of impacts to the reliability of the interconnected electric system

- 2.3.3 The AESO may conduct a reliability review for a temporary delist requests or a permanent delist notification to determine whether the capacity associated with such delist is needed to maintain the reliability of the interconnected electric system during the obligation period (e.g., thermal overloads, voltage, etc.).
- 2.3.4 The AESO will only review impacts on supply adequacy to assess whether there is sufficient amount of capacity available to ensure the minimum target on the demand curve is met. If the results of the reliability review identify reliability concerns, the AESO may consult with the capacity market participant who submitted the request prior to finalizing its assessment of the temporary delist request or permanent delist notification.

Temporary delist request for economic reasons

- 2.3.5 A capacity market participant may submit a temporary economic delist request to the AESO during the prequalification period for the second rebalancing auction for the corresponding obligation period. The capacity market participant must specify the capacity proposed to be economically delisted and provide net avoidable cost information for further assessment, as outlined in subsection 7.1.10 of Section 7, *Capacity Market Monitoring and Mitigation*. A corporate officer must attest that the submitted costs for the economic delist or the outage durations for physical delists are accurate.
- 2.3.6 In addition to completing the reliability review described in subsection 2.3.3, the AESO will, for each request as per subsection 2.3.5 above, review and approve the net avoidable cost information based on whether such costs are economically justifiable. The temporary economic delisting request must include the avoidable cost data that the economic delisting decision was based upon and a corporate officer's attestation to the accuracy of the avoidable cost data.
- 2.3.7 A capacity asset may temporarily economically delist from the capacity market but choose to participate in the energy and ancillary services markets for no more than 5 continuous months in the same obligation period. The temporary economic delist request must specify which continuous months during the obligation period the capacity asset would be participating in the energy and ancillary services markets. The avoidable cost data associated with the temporary economic delist request must account for the fact that the capacity asset will be online for the specified period in the obligation period.
- 2.3.8 The AESO will allow temporarily economically delisted capacity assets to delay the start of the outage or return to the energy market before the end of its outage term if: the AESO determines an immediate need, on a short term basis, for services provided by certain assets to maintain the necessary level of reliability or adequacy and there is a high probability that the situation cannot be alleviated through the ordinary course operation of the energy market.