

# ISO Rules

## Part 500 Transmission

### Division 505 Legal Owners of Generating Facilities

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



#### Applicability

1 Section 505.2 applies to:

- (a) 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 **generating unit** or an **aggregated generating facility**, ~~for which a market participant~~ as follows:

- (a) ~~has paid~~ subject to subsection 2(b), if the ~~ISO a legal owner's~~ contribution for **revenue meter of the generating unit or aggregated generating facility** recorded zero metered energy in all **settlement intervals** during the previous calendar year, the performance factor is 0%;
- (b) ~~for a site with 1 or more onsite~~ **generating units or aggregated generating facilities** that supply electric energy for 1 or more onsite load assets and offers excess generation to the energy market on a net basis, if the **revenue meter** recorded zero metered energy in all **settlement intervals** because load growth at the site resulted in no export to the **interconnected electric system**, the performance factor is 100%; and
- (c) ~~in all other cases, the performance factor is 100%.~~

**(2)** The ISO must assess a performance adjustment factor for a **generating unit or aggregated generating facility** in accordance with ~~subsection 4~~ the following formula if, based on the ISO's most recent information at the time of ~~section 40 of the ISO tariff; and~~ the performance assessment, energized MC is not equivalent to critical MC:

$$\text{performance adjustment factor} = \frac{\text{ABS}(\text{critical MC} - \text{energized MC})}{\text{critical MC}}$$

where:

~~(a) (b) may receive a refund of that contribution in accordance with~~ ABS is absolute value;

~~critical MC is, subject to subsection 5 of section 40 of the ISO tariff.~~

~~(a)(b) (2) The ISO must (3),~~ the maximum capability of the generating unit or aggregated generating facility used to calculate the performance assessment for the 2015 calendar year; contribution of the legal owner of a generating unit; and each subsequent calendar year as:

~~(a) energized MC is, subject to subsection 2(3), the availability assessment calculated~~ maximum capability of the generating unit or aggregated generating facility that the legal owner submits to the ISO in accordance with subsection 3, 4 or 5 below, as the applicable,

multiplied by

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~~(b)(c) (b) the overcontract assessment calculated in accordance with subsection 6 below pool asset registration process.~~

**(3)** The ISO must, if the **legal owner** of the **generating unit** or **aggregated generating facility** updates the critical MC or energized MC of the **generating unit** or **aggregated generating facility** with the ISO on or before October 30 of the year before the refund calculation, adjust critical MC or energized MC in the application of the formula in subsection 2(2) based on the information the **legal owner** provides.

#### **Refund of Generating Unit Owner's Contribution**

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

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

$$\text{refund} = (\text{annual amount} \times \text{performance factor}) \times (1 - \text{adjustment factor})$$

where the:

(a) annual amount is as specified in ~~subsection 5(3) of section 10 of the the~~ **ISO tariff**, and the;

(b) performance ~~assessment~~ factor is the performance factor assessed in accordance with subsection 2(1) for the calendar year; and

(a)(c) adjustment factor is the performance adjustment factor calculated in accordance with ~~subsection 2(2) of this Section 505.2.2(2).~~

#### **Availability Assessment for Generation Other Than Hydro, Wind, or Solar, 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 **generating unit** or an **aggregated generating facility** that:~~

(a) ~~is not a hydro **generating unit**, or a wind or solar **aggregated generating facility**;~~

(b) ~~has a **maximum capability** of 5 MW or greater; and~~

(c) ~~is not a **generating unit** or an **aggregated generating 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 **generating unit** or **aggregated generating facility** to which this subsection 3 applies.~~

**(3)** ~~The ISO must calculate the average hourly availability for each **generating unit** or **aggregated generating facility**.~~ Preliminary Refund Assessment

**4** ~~where:~~

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

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

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~~(4) — The ISO must calculate the availability assessment for each **generating unit** or **aggregated generating 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 Hydro, Wind, or Solar Less Than 5 MW**

~~(4)(1) — The ISO must calculate the availability assessment in accordance with this subsection 4 for a **generating unit** or an **aggregated generating facility** that:~~

- ~~(a) — is a hydro **generating unit**;~~
- ~~(b) — is a wind or solar **aggregated generating facility**; or~~
- ~~(c) — has a **maximum capability** of less than 5 MW.~~

~~(2) — The ISO must:~~

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

~~(3) — The ISO must calculate the average hourly availability in aggregate for all **generating units** and **aggregated generating 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:  

$$\text{hourly availability (time weighted)} = \frac{\text{metered energy} + \text{dispatch volume of operating reserves}}{\text{Rate STS contract capacity}};$$~~
- ~~(b) — for an hour during a month in which Rate STS **contract capacity** is zero:  

$$\text{hourly availability} = 1.00;$$
 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 **generating units** and **aggregated generating facilities**, excluding solar **aggregated generating facilities**, that are served~~

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under a single Rate STS ~~system access service~~ agreement, based on the average hourly availability as follows:

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%

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

Average Hourly Availability	Availability Assessment
Less than 0.08	0%
0.08 to 0.12	$\frac{\text{average hourly availability} - 0.08}{0.04} \times 100\%$
Greater than 0.12	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 ~~generating unit or aggregated generating 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 ~~generating units and aggregated generating facilities~~ that are served under a single Rate STS ~~system access service~~ agreement; and
- (b) apply the aggregate availability assessment to each ~~generating unit or aggregated generating facility~~ to which this subsection 5 applies.

(3) The ISO must calculate the average hourly availability in aggregate for all ~~generating units and aggregated generating 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 ~~generating unit or aggregated generating facility~~ submits ~~offers~~ on a net basis:
  - (i) for an hour during a month in which Rate STS ~~contract capacity~~ is greater than zero:

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

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

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

- (b) if the ~~generating unit or aggregated generating facility~~ submits ~~offers~~ on a gross basis:

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

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(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 generating units and aggregated generating facilities that are served under a single Rate STS system access service agreement, 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%

#### Overcontract Assessment

~~6(1) The ISO must, for a generating unit or an aggregated generating facility to which this section 505.2 applies:~~

~~(a) calculate the overcontract assessment in aggregate for all generating units and aggregated generating facilities that are served under a single Rate STS system access service agreement; and~~

~~(b) apply the aggregate overcontract assessment to each generating unit or aggregated generating facility that is served under that Rate STS system access service agreement.~~

~~(2) The ISO must calculate the overcontract factor in aggregate for all generating units and aggregated generating 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:~~

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

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 generating unit or aggregated generating facility to temporarily exceed the Rate STS contract capacity during an emergency.~~

~~(5) The ISO must calculate the overcontract assessment in aggregate for all generating units and aggregated generating 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:~~

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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%

#### Adjustments

~~7~~ The ISO may make adjustments to either one or both of the hourly availability and the overcontract factor where either one or both of the hourly availability or the overcontract factor are affected by events outside the control of the owner of a **generating unit** or **aggregated generating facility**, including but not limited to a transmission 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 refund assessment, along with all related relevant input data, to the **legal owner** of a **generating unit** or an **aggregated generating facility** by January 31 of the year following the calendar year to which the refund relates.

#### Revision History

Date	Description
<u>2021-XX-XX</u>	<u>Revisions to introduce new performance assessment methodology in response to changes to ISO tariff.</u>
2020-01-01	Revisions to clarify “generating facility” as “generating unit or aggregated generating facility”; and applicability to a solar aggregated generating facility.
2016-01-29	Initial release.