

# Capacity Market Cost Allocation Analysis (CCAA) Working Group Update

John Martin, Working Group Chair

April 15, 2019 — Tariff Design Advisory Group, Calgary

# Working group has examined additional time block options



Options	Option A 3-Block “Base”	Option H 4-Block Early Morning	Option J 3-Block With Weekends	Option K 4-Block Weekend
High-weight	HE18-HE19 Nov-Feb HE16-HE18 Jul-Oct Weekdays	HE18-HE19 Nov-Feb HE16-HE18 Jul-Oct Weekdays	HE18-HE19 Nov-Feb HE16-HE18 Jul-Oct Weekdays	HE18-HE19 Nov-Feb HE16-HE18 Jul-Oct Weekdays
Medium-weight	HE08-HE23 Weekdays Year-round	HE11-HE23 Weekdays Year-round	HE08-HE23 All days Year-round	HE08-HE23 Weekdays Year-round
Light-weight	—	HE07-HE10 Weekdays Year-round	—	HE08-HE23 Weekends Year-round
Low-weight	HE24-HE07 Weekdays All hours Weekends Year-round	HE24-HE07 Weekdays All hours Weekends Year-round	HE24-HE07 All days Year-round	HE24-HE07 All days Year-round

# Working group recommends “Option K” time blocks: 4-block with weekend daytime

HE	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Sum
Nov	-	-	-	-	-	-	-	-	1	-	1	1	-	1	-	1	2	7	6	4	2	-	-	-	25
Dec	-	-	-	-	-	-	-	-	-	-	1	2	-	-	1	1	7	16	11	7	3	1	-	-	51
Jan	-	-	-	-	-	-	-	0	-	1	-	-	-	-	-	-	0	11	6	1	-	-	-	-	19
Feb	-	-	-	-	-	-	-	-	-	0	-	1	-	-	0	-	0	6	9	5	2	1	-	-	24
Mar	-	-	-	-	-	-	-	-	-	-	1	-	-	1	-	-	-	1	1	-	-	-	-	-	3
Apr	-	-	-	-	-	-	-	-	-	1	1	1	1	-	2	1	1	1	1	-	-	-	-	-	10
May	-	-	-	-	-	-	-	-	-	1	2	2	1	2	3	3	3	2	1	-	-	-	-	-	19
Jun	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	2	3	3	0	-	-	-	-	-	11
Jul	-	-	-	-	-	-	-	-	-	-	-	6	9	15	16	18	19	16	7	2	-	-	-	-	108
Aug	-	-	-	-	-	-	-	-	-	-	0	0	1	4	6	7	11	10	2	-	-	-	-	-	43
Sep	-	-	-	-	-	-	-	-	-	-	1	1	2	6	5	6	7	7	3	1	1	-	-	-	38
Oct	-	-	-	-	-	-	-	0	1	3	5	6	5	4	6	6	5	6	5	7	4	2	-	-	66
Sum	-	-	-	-	-	-	-	1	2	6	12	20	20	33	39	46	59	86	50	28	12	3	-	-	417

- Values are weighted average of count of hours with unserved energy contribution greater than 0.0583% per hour on weekdays, in first obligation year (weight = 0.333) and second obligation year (weight = 0.667)
- Sum of unserved energy in hours exhibits similar distribution

# Working group recommends “Option K” time blocks: 4-block with weekend daytime (cont’d)



Time Block	Hours	Days	Months
High-weight	HE18-HE19	Weekdays	Nov-Feb
	HE16-HE18	Weekdays	Jul-Oct
Medium-weight	HE08-HE23 excluding high-weight	Weekdays	Year-round
Light-weight	HE08-HE23	Weekends and holidays	Year-round
Low-weight	HE01-HE07 and HE24	All days	Year-round

Time Block	Hours	EUE Sum	EUE/Hour	Weight	Rate Range
High-weight	411	26.42%	0.064%	0.723	\$42-127
Medium-weight	3,573	57.43%	0.016%	0.181	\$11-32
Light-weight	1,856	15.50%	0.008%	0.094	\$5-16
Low-weight	2,920	0.65%	0.000%	0.003	\$0
<b>Total</b>	<b>8,760</b>	<b>100.00%</b>	<b>0.011%</b>	<b>1.000</b>	<b>\$8-24</b>

# Working group is still examining determination of weights

- Working group is examining impact of increasing weight of high-weight hours

Time Block	Base	3x High-Weight EUE/hr		6x High-Weight EUE/hr	
	Rate Range	Multiplier	Rate Range	Multiplier	Rate Range
High-weight	\$42-127	3x	\$82-245	6x	\$106-319
Medium-weight	\$11-32	1x	\$7-20	1x	\$4-13
Light-weight	\$5-16	1x	\$4-11	1x	\$2-7
Low-weight	\$0	1x	\$0	1x	\$0
Total	\$8-24	—	\$8-24	—	\$8-24

- Rate ranges based on capacity market costs ranging from \$0.5 billion to \$1.5 billion for first obligation period

# Working group will continue analysis over coming weeks

- Further examination of weights will include considerations discussed at industry update session and considerations raised in stakeholder comments
- Consideration of aggregate impact of prices from capacity market cost allocation, energy, and transmission tariff, to extent possible
- Examination of impact on individual consumer bills

**Questions?**