

# ISO Rules

## Part 200 Markets

### Division 202 Non-Routine Conditions in the Markets

#### Section 202.6 Adequacy of Supply



#### Applicability

- 1 Section 202.6 applies to:
- (a) the **ISO**.

#### Requirements

##### Adequacy Assessments

2 The **ISO** must, in order to assist in determining whether to cancel a **planned outage** or **unplanned outage** of generation under section 306.5 of the **ISO rules**, *Generation Outage and Reporting*, assess the **adequacy** of supply by, at a minimum, completing a supply and load forecast using the peak demand hour of every **day** for a two (2) year period, calculated as the sum of the following:

- (a) the **maximum capability** from all **generating units** in Alberta with a **maximum capability** equal to or greater than five (5) MW;  
plus
- (b) an estimate of the output from wind **aggregated generating facilities**;  
plus
- (c) import **available transfer capability** on **interconnections** with a program that increases **available transfer capability**;  
minus
- (d) declared **generating unit** derates;  
minus
- (e) any capacity of **generating units** which are affected by **transmission constraints**;  
minus
- (f) anticipated **generating unit** derates;  
minus
- (g) the daily forecast **Alberta internal load**;  
minus
- (h) **operating reserves** requirements;  
plus
- (i) price responsive load;  
plus
- (j) aggregate **planned outage**, **unplanned outage** and **forced outage** records for load;

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plus

- (k) load for **demand opportunity service**.

#### Short Term Adequacy Assessments

**3** The **ISO** must, every hour, assess the short term **adequacy** of supply by, at a minimum completing a real-time **adequacy** assessment for each **settlement interval** of the current **day** and for the six (6) remaining **days** of the **forecast scheduling period** on the **day** preceding that current **day**, calculated as the sum of the following:

- (a) **available capability** from all generating **source assets** in Alberta with a **maximum capability** equal to or greater than five (5) MW with a start-up time less than or equal to one (1) hour or with a submitted start time at or before the period being assessed;

plus

- (b) estimated output from wind **aggregated generating facilities**;

plus

- (c) estimated amount of price-responsive load;

plus

- (d) estimated amount of **demand opportunity service** load that is to be curtailed;

plus

- (e) on-site generation that supplies behind-the-fence load and submits **available capability** as a net-to-grid value;

plus

- (f) import **available transfer capability** on the **interties**;

minus

- (g) the peak forecast load from the day-ahead forecast of **Alberta internal load**;

minus

- (h) the **ISO's spinning reserve** requirement;

minus

- (i) constrained down generation, with the exception of constrained down wind **aggregated generation facilities**.

#### Long Term Adequacy Metrics and Reporting

**4(1)** The **ISO** must establish, maintain and report on **long term adequacy** metrics on a quarterly basis in accordance with this section 202.6.

**(2)** The **ISO** must make publicly available the following **long term adequacy** metrics:

- (a) an Alberta electrical generation projects and retirements metric which is a non-confidential project list indicating such relevant information as the project name, the project proponents, the MW size of the project and the estimated year of project completion;
- (b) a forecast reserve margin metric, including a reserve margin metric which must have a minimum five (5) year forecast period and be calculated using a methodology that:
  - (i) is a measure, expressed in percentage terms, representing the amount of generation capacity at the time of system peak that is in excess of the annual peak demand;
  - (ii) utilizes **ISO** load forecasts;
  - (iii) utilizes existing **generating unit** capacity information such as **maximum capability** and the generation metric forecast capacity published as part of the Alberta electrical generation projects and retirements metric;
  - (iv) accounts for behind-the-fence load and generation capacity;
  - (v) excludes wind and adjusts for hydro available at the time of system peak;
  - (vi) incorporates **interconnection** capacity; and
  - (vii) may reflect more than a single supply and load scenario for the system;
- (c) a supply cushion metric which provides a two-year forecast of available daily generation capacity and peak demand both measured in MW which must be calculated using a methodology that:
  - (i) incorporates **generating unit** capacity information such as the **maximum capability** of **generating units**;
  - (ii) utilizes **ISO** load forecasts;
  - (iii) incorporates daily average **planned outages** and derates as reported by **pool participants** in their **planned outage** scheduling submissions as well as a nominal average **unplanned outage** and **forced outage** rate;
  - (iv) accounts for behind-the-fence load and generation capacity;
  - (v) excludes wind and adjusts for hydro available at the time of daily system peak;
  - (vi) excludes **interconnection** capacity; and
  - (vii) excludes existing generation that is contractually available but that does not participate in the energy market;
- (d) a two-year probability of supply **adequacy** shortfall metric which provides a probabilistic assessment of a state of **supply shortfall** over the next two (2) years and which must be calculated using a methodology that:
  - (i) utilizes **ISO** load forecasts;
  - (ii) utilizes existing **generating unit** capacity information such as **maximum capability** and the generation metric capacity published as part of the Alberta electrical generation and

retirements metric;

- (iii) incorporates hourly **planned outages** and derates as reported by **pool participants** in their **planned outage** scheduling submissions;
- (iv) incorporates **interconnection** capacity estimates; and
- (v) utilizes a distribution of outcomes for the following inputs:
  - (A) intermittent or energy limited resources; and
  - (B) **unplanned outages** and **forced outages**.

#### Long Term Adequacy Threshold Determination and Use

**5(1)** The **ISO** must, for the two-year probability of supply **adequacy** shortfall metric model set out in subsection 4(2)(d), use a **long term adequacy** threshold which:

- (a) represents the equivalent impact of the probability of having a system supply shortfall occur once every ten (10) years; and
- (b) is calculated as the one-hour average **Alberta internal load** for a year divided by five (5);

being the level which, if exceeded, would indicate a need for the **ISO** to consider taking preventative action.

**(2)** The **ISO** must, using the two-year probability of supply **adequacy** shortfall metric, estimate on a quarterly basis the expected total system MWh not served in a subsequent two year period.

**(3)** The **ISO** must, if the estimated total system MWh not served exceeds the **long term adequacy** threshold established at the time, undertake further studies to verify the likely cause, magnitude and timing of the potential **adequacy** issue.

#### Long Term Adequacy Threshold Actions

**6** The **ISO** may, if the **long term adequacy** threshold is exceeded and the **ISO** deems that a potential **adequacy** issue requires preventative action, procure any one (1) or more of the following services:

- (a) load shed;
- (b) self-supply and back-up generation that would not otherwise be available to participate in the energy market; and
- (c) emergency portable generation;

being **long term adequacy** threshold actions.

#### Procurement of Long Term Adequacy Threshold Actions

**7** The **ISO** must procure **long term adequacy** threshold actions using established **ISO** procurement procedures and, where possible and practical, in a manner that encourages competition.

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#### Recovery of Long Term Adequacy Threshold Actions Costs

**8(1)** The **ISO** must, if it procures **long term adequacy** threshold actions, establish a methodology that results in the recovery of the costs of **long term adequacy** threshold actions.

**(2)** The **ISO** must institute a charge to load, primarily directed to the **pool participants** who consume energy during higher priced hours, which recovers the costs of **long term adequacy** threshold actions.

#### Revision History

Effective	Description
2013-12-20	Initial release
2014-10-01	Amendment to the short term adequacy assessments calculation to include the <b>ISO's spinning reserve</b> requirement.