Reserve Capacity Mechanism
- Availability Curve Calculation

Presentation Market Advisory Committee
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Issue Statement

"There is a mismatch in the Availability Curve calculation and the Demand Side Program requirements".

Issue

Market rule 4.5.12(c) defines the Availability Curve calculation that assigns the amount of load that can be served by Demand Side Program classes based on 48, 72, 96 hour/year needs

"the capacity associated with each Availability Class where:

i. the capacity quantity associated with Availability Class 4 is the Reserve Capacity Target for the Capacity Year less the greater of the quantity specified under paragraph (b) and the quantity specified under paragraph (a) as being required for more than 48 hours per year;"

Appendix 3 defines the class availability requirements for each DSP class, based on 24-48, 48-72, 72-96, >96 hour segments.

Availability Class (i.e. value of "a")	Minimum Hours of Availability Per Year	Maximum Hours of Availability Per Year
1	96	All
2	72	96
3	48	72
4	24	48

Issue

Appendix 3 links the two together to determines how the reserve capacity procurement offers are accepted and "is used to prevent the IMO accepting bilateral trades that have insufficient availability to usefully address the Reserve Capacity Requirement"

This is an 11 step process. The key step is step 3

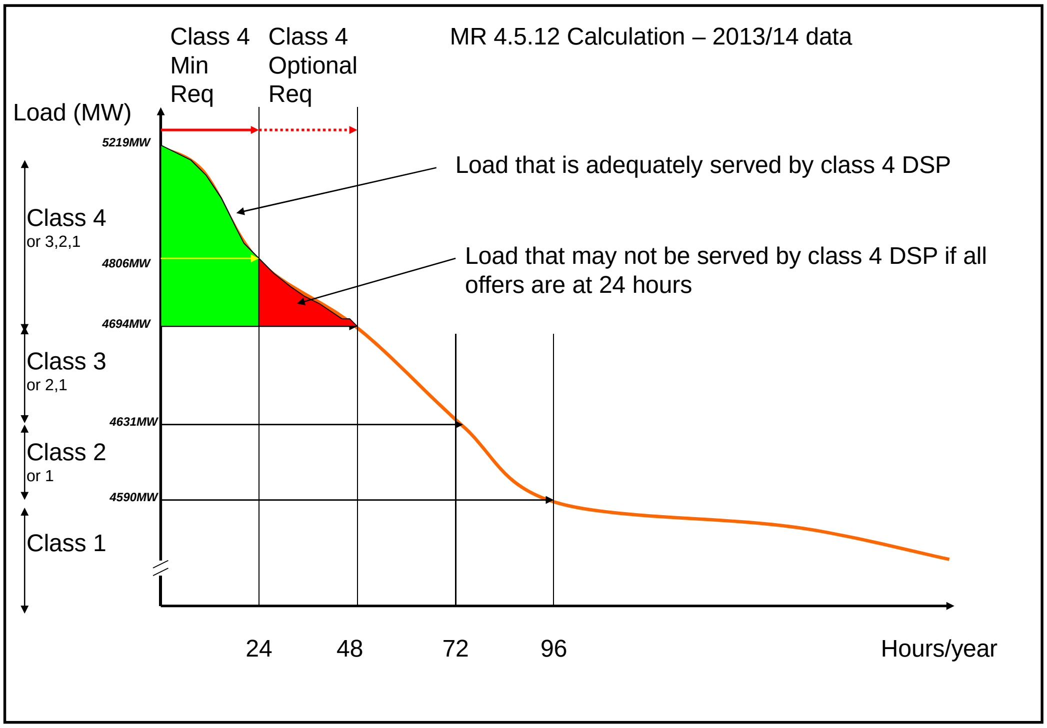
Step 3: Accept offers from the set of active offers in order of

- *In the case of testing bilateral schedules, decreasing availability.*
- *In the case of the reserve capacity auction, increasing price*

until the capacity requirements of Availability Class "a" are fully covered or until there are no offers left unaccepted in the set of active offers.

This leads to a mismatch in the DSP requirement and the load need

This is illustrated in the load duration curve characteristics shown in the following slide



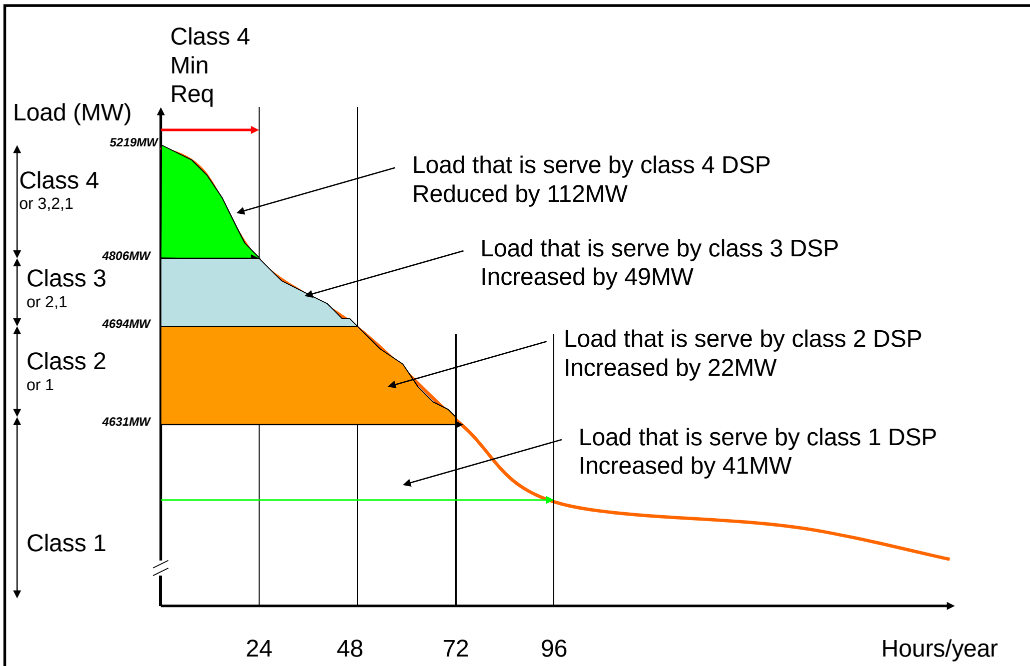
Proposed Resolution

The Availability curve assigns the amount of load that can be served based on 24, 48, 72 hour/year needs (market rule 4.5.12(c)).

The availability requirements for each DSP class is based on 24-48, 48-72, 72-96, >96 hour segments is unchanged (appendix 3).

This removes the mismatch in the DSP requirement and the load duration needed

This is illustrated in the load duration curve characteristics shown in the following slide



Comment

This does not alter the availability class requirements, class 4 is still 24 to 48 hours and DSP can nominate 24 hours

This does not limit the amount of DSP that can be offered

Way Forward

A Pre Rule Discussion Paper is discussed & noted by MAC

System Management submits a Rule Change Proposal with a request for change prior to the next SOO