

**Capacity Benefit Margin Implementation Document**

**For**

**Associated Electric Cooperative, Inc.**

**Effective Date: July 1, 2018**

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Engineering &  
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**Print Name**

  
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**Signature**

**\*\*\* NOTE: When revising this procedure the AECI OPEN ACCESS TRANSMISSION TARRIFF (OATT) needs to be reviewed for changes.**

<u>Revision No.</u>	<u>Revision History</u>	<u>Date Revised</u>
0	Original Issue	05/24/2007
1	Changed the MINT CBM from 50% to 30%	04/02/2008
2	Changed the requirements for CBM on the MINT line. The contract was changed to remove the CBM.	04/16/2008
3	Revise purpose to reflect the MOD-004-1 Standard	03/31/2011
4	Revised TH3 Rating	10/30/2012
5	Annual CBM Review – No changes	08/05/2013
6	Added statement in II.3 regarding AECI’s participation in the SPP RSG	09/12/2013
7	Annual CBM Review – No changes	08/29/2014
8	Removed OASIS Coordinator	12/01/2014
9	Annual CBM Review. Minor updates. No changes to CBM.	06/22/2015
10	Annual CBM Review. Minor updates. No changes to CBM.	06/23/2016
11	Annual CBM Review. Removed Generation Unit Outage Considerations.	06/23/2017
12	Annual CBM Review. Minor updates. No changes to CBM.	06/25/2018

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## Capacity Benefit Margin Implementation Document (CBMID)

### 1.0 Introduction / Purpose

The purpose of this document is to outline the methodology that Associated Electric Cooperative, Inc. (AECI) uses to determine its requirements for Capacity Benefit Margin (CBM). This methodology will promote the consistent and reliable calculation, verification, preservation, and use of Capacity Benefit Margin (CBM) to support analysis and system operations.

### 2.0 CBM

#### 2.0 Methodology

AECI uses a deterministic methodology based on the outage of the largest plant that serves AECI's load and bases its level of installed generation reserves on a percentage multiplier for determining CBM. All generation not connected to AECI's system that is designated to serve AECI's load will be considered in the CBM determination, and all generation connected to AECI's system that is not designated to serve AECI's load will not be included in the CBM determination.

#### 2.1 CBM consistency with generation planning criteria

The amount of external generation required to support member loads is the positive difference between the largest internal generating unit that is designated to serve AECI's load available and the amount of internal generation reserve available for the specific season being evaluated. If the result is negative, then no external generation is required for the period and therefore no CBM is necessary.

#### 2.2 CBM calculation frequency

AECI determines its total CBM requirements on an annual basis and reviews the allocation of CBM to the individual interfaces on a seasonal basis.

#### 2.3 Preservation of CBM for Load Serving Entities (LSEs)

AECI does not apply CBM at this time, therefore preservation of CBM for LSEs does not apply.

#### 2.4 Rationale for generation resources not connected to the TSP's system but serving network load

AECI does not use CBM at this time, therefore rationale for generation resources not connected to the TSP's system but serving network load does not apply.

#### 2.5 Rationale for generation resources connected to the TSP's system but not obligated to serve network load

AECI does not use CBM at this time, therefore rationale for generation resources connected to the TSP's system but not obligated to serve network load does not apply.

### **2.6 Variance Process**

AECI does not use the CBM at this time, therefore the variance process does not apply.

### **2.7 Relationship of CBM to Generation Reliability and Transmission Allocation**

AECI does not use CBM at this time, therefore the relationship of CBM to generation reliability and transmission allocation does not apply.

### **2.8 Rationale for Inclusion/Exclusion of LSE loads**

AECI does not use CBM at this time, therefore the rationale for inclusion/exclusion of LSE load does not apply.

### **2.9 Rationale for Inclusion/Exclusion of Generation Reserve Sharing agreements**

AECI does not use CBM at this time, therefore the rationale for inclusion/exclusion of generation reserve sharing agreements does not apply.

## **3.0 Adherence to CBM Methodology Procedures**

Based on AECI's annual review, CBM is not used by our Transmission System Provider; Therefore, NERC standards MOD-005, 006 and 007 do not apply. This procedure will be changed when it is determined that CBM does apply after each review.