

1 Q. Please provide an example that illustrates payments due to CBPP for capacity  
2 assistance when the amount of capacity is increased or decreased during the  
3 capacity assistance period as detailed in clause 2.01 of Schedule A.

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6 A. Clause 2.01 states:

7 *Hydro may make Capacity Assistance Requests to the Customer in*  
8 *amounts of 20 MW, 40 MW, 60 MW or 90 MW, or other amount as*  
9 *confirmed in a test pursuant to clause 2.07 hereof, no more than twice*  
10 *in a calendar day, no more than thirty times in a Winter Period, each*  
11 *of a duration of not less than 4 hours and not more than 6 hours, and*  
12 *such that the total duration of such Capacity Assistance Periods does*  
13 *not exceed 150 hours in a Winter Period.*

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15 Provided below are several examples of the variable payment for several  
16 different capacity assistance requests. For all examples, the Gas Turbine  
17 Variable Cost (GTVC) is assumed to be \$0.26 per kW per hour.

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19 Scenario 1

20 Capacity Assistance Requested: 20 MW

21 Duration of Capacity Assistance: 4 hours

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23 Variable Payment = 20,000 kW x 4 hours x (\$0.26 per kW per hour x 0.9)

24 Variable Payment = \$18,720

## 1 Scenario 2

2 Capacity Assistance Requested: 90 MW

3 Duration of Capacity Assistance: 2 hours

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5 Variable Payment = 90,000 kW x 4 hours x (\$0.26 per kW per hour x 0.9)

6 Variable Payment = \$84,240

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8 Note: In this scenario, only two hours was requested. The contract stipulates a  
9 minimum of four hours, therefore four hours is used to calculate the payment.

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## 11 Scenario 3

12 Original Capacity Assistance Requested: 60 MW

13 Revised Capacity Assistance Requested: 90 MW

14 Duration of Capacity Assistance: 4 hours

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16 Variable Payment = 90,000 kW x 4 hours x (\$0.26 per kW per hour x 0.9)

17 Variable Payment = \$84,240

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19 Note: In this scenario, the amount of the Capacity Assistance Request from  
20 CBPP was increased from 60 MW to 90 MW during a Capacity Assistance Period.  
21 Section 3.02 of the Revised Capacity Assistance Agreement stipulates that the  
22 variable rate is paid for the maximum capacity assistance requested; therefore  
23 the payment is based on 90 MW.