

7835.3700 AMOUNT OF CAPACITY PAYMENTS; CONSIDERATIONS.

The qualifying facility which negotiates a contract under part 7835.3600 must be entitled to the full avoided capacity costs of the utility. The amount of capacity payments must be determined through consideration of:

- A. the capacity factor of the qualifying facility;
- B. the cost of the utility's avoidable capacity;
- C. the length of the contract term;
- D. reasonable scheduling of maintenance;
- E. the willingness and ability of the qualifying facility to provide firm power during system emergencies;
- F. the willingness and ability of the qualifying facility to allow the utility to dispatch its generated energy;
- G. the willingness and ability of the qualifying facility to provide firm capacity during system peaks;
- H. the sanctions for noncompliance with any contract term; and
- I. the smaller capacity increments and the shorter lead times available when capacity is added from qualifying facilities.

Statutory Authority: *MS s 216A.05; 216B.08; 216B.164*

History: *9 SR 993*

Published Electronically: *February 28, 2000*