

# Capacity Auction Design Memo 6.0

**Engagement Topic:** Performance Assessment – HDR Contributor Forced Outages

**Engagement Status:** In Progress

**Date:** November 2022

The purpose of this memo is to summarize the proposed solution to address the impact of an Hourly Demand Response (HDR) contributor forced outage on performance assessment. For background on the issue and an illustrative example of the hypothetical performance impacts, please refer to [Discussion Brief 2.1 – HDR Performance Thresholds](#).

## Objective/Scope

- Address the specific scenario where a contributor forced outage impacts performance assessment and settlement of virtual HDR resource
- Applicable to capacity auction test and in-market activations
- Applicable to physical and virtual C&I HDR contributors as part of a virtual HDR resource
- Applicable to contributor outages where contributor's load has returned within one hour before an activation event (i.e. end of In-Day Adjustment window) to the end of activation period
  - The maximum length of such outage cannot exceed 15 calendar days
- Minimize impact on IESO capacity auction settlements processes and tools
- The solution will not change the existing process to establish HDR baselines

## Proposed Design

The proposed solution considers the following two components:

1. Capacity Market Participants (CMPs) to update bids to reflect reduction in resource capacity
2. Meter data of contributor on forced outage to be excluded from baseline calculation, performance assessment and settlement

**Step 1:** CMP shall reduce their bids if any contributor on forced outage will impact their ability to deliver the resource's capacity obligation

- Reduce bids by up to the sum of MW capacity not available from the contributor on forced outage, if the remainder of the contributors cannot deliver the capacity obligation
- CMP is free to update bids anytime outside of mandatory window
- CMP shall call Control Room to update bids within mandatory window or during activation period

*Note: This is an existing process documented in MM 4.3 Section 7.2.*

**Step 2:** CMP shall timely notify IESO on all contributors on forced outage.

- Notification is required per activation for both physical and virtual HDR contributors
- In order to notify IESO, written notification must be submitted to the IESO by the registered capacity auction contact via email to: [IESOCustomerRelations@ieso.ca](mailto:IESOCustomerRelations@ieso.ca)
- Notification shall include:
  - Capacity Market Participant ID
  - Capacity auction resource name and ID
  - Date of activation
  - Contributor name and ID on forced outage
  - Start and Stop time of the outage
  - Bids reduction in MW for the activation, if applicable
- Notification shall be submitted to IESO within 5 business days following the activation
- If there is more than one HDR resource with a contributor on forced outage on the same activation date, the CMP may combine the notification in one email and provide the above details for each resource.
- If there is more than one activation within a month, the CMP must submit separate email notifications for contributor outages on each activation date.

**Step 3:** Remove measurement data of contributors on forced outage

- Baseline calculation, performance assessment and settlement will exclude the measurement data of contributors on forced outage

*Note: The process will differ slightly for physical compared to virtual contributors*

Virtual HDR contributors:

- At time of measurement data submission, CMP to exclude the meter data of virtual contributors on forced outage from the resource. CMP can only remove the contributors

declared to have forced outage in the written email notification to IESO. Meter data for all other virtual contributors shall be aggregated and submitted through online IESO.

- For two or more activations within the same month, CMP to submit separate copies of measurement data for the three-month period in a zip folder if different virtual contributors are on forced outage.

Physical HDR contributors:

- Based on CMP notification, IESO will remove the meter data of physical contributors on forced outage from the resource by temporarily suspending the contributor in IESO system for the activation month

**Step 4:** IESO will perform all calculations and assessments based on revised bids and revised measurement data

- No further action required from CMP after sending forced outage notification and submitting revised measurement data (only for virtual contributors)

**Step 5:** IESO to account for the impact of contributor forced outage during measurement data audit

- CMP is still required to submit meter data and LDC statement for all virtual contributors (including contributors with forced outage) as part of audit submission
- For Step 1 of the measurement data audit, IESO will reconcile actual demand response contributor measurement data to the demand response contributors LDC billing statement for all contributors, including contributors with forced outage
- For Step 2 of the measurement data audit, IESO will exclude the contributors on forced outage (based on CMP's notification) from the sum of the demand response contributor's actual measurement data. The revised sum is reconciled with the submitted measurement data following activation.
- IESO will also review interval data of contributors declared to have forced outage. If interval data does not show load returning during defined time period (one hour before activation to end of activation period), the contributor will be considered as incomplete for step 1.