

# Capacity Auction Design Memo 6.2

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

**Engagement Status:** Complete

**Date:** January 2023

The purpose of this memo is to summarize the 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](#).

## Stakeholder Concern

When a HDR contributor's load is on forced outage during in-day adjustment window and subsequently restored, the calculated baseline is lower than the actual load of virtual HDR resource during activation. In such circumstance, the skewed baseline negatively impacts the performance assessment of the resource and Capacity Market Participant (CMP) may have to reduce bids by more than the lost capacity of the contributor on forced outage to meet the performance assessment threshold. Such reduction in bids does not reflect the resource's actual capacity.

## Final Solution

To mitigate the potential of a skewed baseline due to one or more virtual or physical C&I contributor(s) on forced outage during in-day adjustment window, the IESO will allow CMPs to temporarily exclude the contributor(s) on forced outage from the baseline calculation for the affected virtual HDR resource. The performance of the affected virtual HDR resource will then be assessed with the remaining contributors.

The solution requires the CMP to update bids to reflect reduction in resource capacity if removal of the contributor on forced outage results in reduced capability of the resource to curtail load to meet obligations.

## **Eligibility Criteria for a Contributor Forced Outage**

The solution is applicable to any contributor outage that meet all of the following conditions:

- Contributor must be a physical or virtual C&I HDR contributor as part of a virtual HDR resource.
- Contributor's load is on outage during in-day adjustment window and restored between one hour before an activation event (i.e. end of in-day adjustment window) and the end of the activation.
- The maximum length of the outage does not exceed 15 consecutive calendar days.

The solution is applicable to all test activations, in-market activations and emergency activations.

## **Declaration of Contributor Forced Outage**

Capacity market participants who wish to temporarily exclude one or more contributor(s) from the baseline calculation and the performance assessment for a virtual HDR resource due to contributor forced outage will be responsible for the following:

### Bid Reduction/Maintenance

- CMPs to follow the existing requirements outlined in MM 4.3, section 7.2, to maintain/update their energy market bids to reflect the actual available capacity of their HDR resources.

### Notification to the IESO

- Written notification must be submitted to the IESO by the CMP via email to [IESOCustomerRelations@ieso.ca](mailto:IESOCustomerRelations@ieso.ca) within 5 business days following the activation.
- 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

### Measurement Data Submission

- If a contributor forced outage is declared with the IESO for any virtual C&I contributors, the CMP shall exclude the meter data of such contributors from meter data submitted for the associated virtual HDR resource. Meter data for all other virtual contributors shall continue to be aggregated and submitted through Online IESO following the existing requirements documented in MM 12 section 5.3.2.

- If there are two or more activations in a month where different virtual C&I contributors have been declared on contributor forced outage, CMP to submit separate copies of resource measurement data through online IESO.
- For physical C&I contributors with contributor forced outage declared with IESO, no action is required from the CMP. IESO will remove the meter data of the physical contributor from the resource based on CMP notification.

### **Additional Considerations**

For the purpose of a Virtual C&I Resource Audit, the capacity market participants are still required to provide to the IESO a copy of Local Distribution Company (LDC) billing statement and contributor meter data for all the demand response contributors registered under the CMP's portfolio, including contributors that were declared to be on contributor forced outage.

During Step 1 of the audit, IESO will continue to compare individual contributor measurement data to their respective LDC billing statement for all virtual contributors, including contributors with declared contributor forced outage.

During Step 2 of the audit, IESO will exclude the contributor(s) with declared contributor forced outage from the sum of the contributor's actual measurement data. The revised sum will be reconciled with the measurement data submitted by the CMP following activation.

IESO will also review the interval data of contributors with declared contributor forced outage. If contributor's interval data does not meet the criteria of contributor forced outage defined under the qualification criteria section above, the contributor would be considered to have failed Step 1 of the audit.