



May 3rd, 2022

IESO Technical Panel
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Re: MR – 00469-R0 – 2022 Capacity Auction Enhancements

Enel X, part of Enel North America, supports the comments submitted to the Technical Panel by the Advanced Energy Management Alliance (AEMA). For over a decade, Enel X (formerly EnerNOC) has supported the use of market mechanisms to procure supply, including that from demand side resources, in a competitive manner in Ontario. As one of a handful of 'members' on the initial Demand Response Working Group, EnerNOC worked alongside stakeholders and IESO staff to create an auction to procure cost-effective, reliable capacity from demand response. As a world leader in demand response, a perspective was brought forward that focused on best practices and comparability. This perspective continued as Enel contributed to the design of the Transition Capacity Auction/Capacity Auction. A key theme was always the ability to treat resources in a comparable manner.

At this time, Enel does not believe that resources are being treated in a comparable manner based on the proposed market rule amendments. As a participant in the continued discussions with IESO staff on the proposed amendments, Enel does not have a clear understanding of the impact of the implementation of the total market rule amendment package (and therefore the market design), on the Hourly Demand Response resource.

As noted in the submission by AEMA, the market rule amendments are missing key elements (e.g. payment for testing – Chapter 7, 19.4.15; a lack of outage management process for demand side resources), design changes may not incent the right behaviour (introduction of the Standby Availability Charge – 4.7J.2.1D), nor treat resources in a comparable manner (the lack of a transparent process to understand the impact of the Augmented Availability Charge and the Standby Availability Charge).

The enhancements to the 2022 Capacity Auction have created new performance assessments, changes to qualification and expanded participation. Enel X supports the recommendation that those enhancements impacting the HDR resource be removed from the 2022 Capacity Auction market rule amendments until a true understanding of the impact of the various changes can be made by the Capacity Auction participants. Enel supports a robust stakeholdering process based on a suitable timeline to ensure the right market design changes, and their implementation through the market rule amendment process are achieved.