

Feedback Form

Capacity Auction Enhancements – March 21, 2024

Feedback Provided by:

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Date: 2024-04-04

To promote transparency, feedback submitted will be posted on the [Capacity Auction Enhancements](#) web page unless otherwise requested by the sender. If you wish to provide confidential feedback, please mark as “confidential”.

Following the March 21, 2024, engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback on items discussed. The webinar presentation and recording can be accessed from the [engagement webpage](#).

Please submit feedback to engagement@ieso.ca by April 4, 2024.

Market Manual and Market Rule Updates

| Topic | Stakeholder Feedback |
|---|--|
| <p>Do you have any comments regarding the presented Market Manual administrative updates?</p> | <p>We believe that the interpretation of the Market Rules in relation to the calculation of the Performance Adjustment Factor (PAF) is not a small administrative update to the Market Manuals. In MM12 Issue 16. Section 3.3.2, Table 3-3 on page 17, the IESO defines PAF calculation. $PAF = \text{Delivered MW} / \text{Previous cleared ICAP}$, where "<u>Delivered MW is the demonstrated performance in the most recent applicable seasonal capacity auction capacity test</u>".</p> <p>Nowhere in the Market Rules or the Market Manuals is it stated that this "Delivered MW" used in the PAF calculation is based on a resources <i>lowest</i> hourly MW delivered during that 4-hour capacity test.</p> <p>In fact, the same document MM12, Issue 16.0, Section 5.3.4 Page 38, Assessment of In-Period Cleared UCAP Adjustment for Hourly Demand Response Resources, the same term is defined: "Delivered MW is equal to the <u>average amount of auction capacity delivered by the hourly demand response resource over the four-hour capacity auction capacity test</u>".</p> <p>Because the IESO is applying two different meanings to Delivered MW this is not an administrative update.</p> |
| <p>Do you have any comments regarding the proposed correction to update the cleared ICAP calculation in Market Rule Ch. 7 to incorporate the PAF?</p> | <p>no</p> |

2024 Enhancements

| Topic | Response |
|--|----------|
| <p>Do you have any comments regarding the prioritized 2024 enhancements? i.e.;</p> | |

| Topic | Response |
|---|--|
| 1. Reference Price Review; 2. HDR Standby Price Trigger Review; 3. Virtual Zonal Limits Review. | |
| Do you have any comments regarding the timing of the 2024 enhancements? | <p>In the presented material, IESO has identified that proposed changes will be presented in May 2024, draft market manuals will be posted in June 2024, and approval in August 2024.</p> <p>The first utilization of the new capacity market capacity test is presumed to be in the May – June 2024 timeframe.</p> <p>It is prudent for IESO and stakeholders to ensure sufficient time to review the test process experience and enable potential amendments to market rules and manuals, if required.</p> |

2025 Enhancements

| Question | Response |
|--|----------|
| Do you have any comments regarding the prioritization of the 2025 enhancements? | No |
| Do you have any comments regarding the timing of implementation for the 2025 enhancements? | no |

2026 Enhancements

| Question | Response |
|--|----------|
| Do you have any comments regarding the prioritization of the 2026 enhancements? | no |
| Do you have any comments regarding the timing of implementation for the 2026 enhancements? | no |

Other Enhancements

| Question | Response |
|--|----------|
| <p>Do you have any comments or new information you would like to share with the IESO regarding the enhancements that are not currently being considered? i.e.;</p> <ol style="list-style-type: none">1. Accommodating short-term obligation buy-outs;2. Introducing a rebalancing auction;3. Including avoided line losses credit in HDR capacity qualification. | no |

General Comments/Feedback: