

## IESO Engagement

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**From:** Brandon Kelly  
**Sent:** October 15, 2021 5:22 PM  
**To:** IESO Engagement  
**Cc:** Mike Zajmalowski  
**Subject:** Feedback re. MPM draft of Market Rules

Hello IESO,

Northland Power Inc. respectfully submits the following comments with respect to the IESO's batch draft of Market Power Mitigation rules and manuals.

Northland's primary concern relates to the stringency of the physical withholding framework advanced by the IESO. As proposed, the conduct threshold may be violated if a resource offers as little as 2% below its reference quantity. For the resources in Northland's portfolio, this represents a threshold of as little as 2 MW. Such a small threshold is particularly concerning given the process for establishing reference levels, which effectively relies on historic production to establish an average production curve. The combination of A) the stringency of the conduct threshold, and B) and the variability of actual facility capability relative to an average, are certain to result in numerous "false positives" that launch an inappropriate and burdensome review for physical withholding.

Furthermore, the test for physical withholding is fundamentally missing an assessment of intent/benefit. If a resource fails to offer in its full capacity, but doesn't benefit from any sort of portfolio effect (say as a result of another of its resources receiving a higher price), is it appropriate for that resource to be penalized? With the IESO's market control entity framework, it seemingly has the information needed to conduct such an assessment.

Thank you for your consideration.

**Brandon Kelly** | Manager, Regulatory & Market Affairs  
Northland Power Inc.

