

## Market Rule Amendment Proposal Form

### Part 1 - Market Rule Information

Identification No.:	MR-00476-R00
Subject:	2023 Capacity Auction Enhancements – Stream 1
Title:	2023 Capacity Auction Enhancements – Stream 1
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration <input checked="" type="checkbox"/> Deletion <input checked="" type="checkbox"/> Addition
Chapter:	7, 9 and 11
Appendix:	N/A
Sections:	Chapter 7: 18 and 19 Chapter 11: Definitions
Sub-sections proposed for amending:	Chapter 7: 18.2, 18.2A, 18.3, 18.5, 18.6, 18.8, 18.9, 19.4, 19.5, 19.7, 19.9, 19.9B, and 19.11 Chapter 9: 4.7J Chapter 11: Definitions
Current Market Rules Baseline:	48.1

### Part 2 - Proposal History

Version	Reason for Issuing	Version Date
1.0	Draft issued for stakeholder review	October 21, 2022
2.0	Draft issued for stakeholder review	March 16, 2023
3.0	Issued for Technical Panel review	May 2, 2023

Approved Amendment Publication Date:

Approved Amendment Effective Date:

## Part 3 - Explanation for Proposed Amendment

Provide a brief description that includes some or all of the following points:

- The reason for the proposed amendment and the impact on the *IESO-administered markets* if the amendment is not made.
- Alternative solutions considered.
- The proposed amendment, how the amendment addresses the above reason and impact of the proposed amendment on the *IESO-administered markets*.

### Summary

In preparation for the 2023 Capacity Auction, the IESO is proposing to amend the market rules to make a series of enhancements related to the Capacity Auction.

### Background

Capacity auctions help meet Ontario's reliability needs in a cost effective manner while allowing the IESO to adjust to changing system needs. With planned enhancements over time, the capacity auction is expected to attract a broader mix of resources, enabling the IESO to further increase competition and improve resource reliability and market performance.

Additional information on the Capacity Auction can be found on the IESO's Capacity Auction [webpage](#).

### Discussion

#### Chapter 7

18.2 – Updated to require that participants submit a *capacity qualification request* and receive an *unforced capacity* value equal to or greater than 1 MW.

18.2A – A new subsection has been added for capacity qualification and the calculation of *unforced capacity* for each eligible resource type.

18.3 – Updated to reflect the change in requirements from *enrolled capacity* to *unforced capacity*.

18.5 - Updated to reflect the change in defined terms from *enrolled capacity* to *unforced capacity*

18.6 – Updated to reflect the change from *enrolled capacity* to *unforced capacity*.

18.8 – Updated to include *cleared UCAP* and *cleared ICAP* in post-auction publications.

18.9 - Updated to reflect the change in defined terms from *enrolled capacity* to *unforced capacity*.

19.4 – The Capacity Auction Testing for *Hourly Demand Response Resources* sub-section is being updated to reflect the proposed changes to the testing framework.

19.5 - The Capacity Auction Testing for *Capacity Dispatchable Load Resources* sub-section is being updated to reflect the proposed changes to the testing framework.

19.7 - The Capacity Auction Testing for *Capacity Generation Resources* sub-section is being updated to reflect the proposed changes to the testing framework.

19.9 – The Capacity Auction Testing for *System-Backed Capacity Import Resources* sub-section is being updated to reflect the proposed changes to the testing framework.

19.9B - The Capacity Auction Testing for *Generator-Backed Capacity Import Resources* sub-section is being updated to reflect the proposed changes to the testing framework.

19.11 - The Capacity Auction Testing for *Capacity Storage Resources* sub-section is being updated to reflect the proposed changes to the testing framework.

## **Chapter 9**

3.1.10 – The section has been updated with new *capacity auction* data inputs.

4.7J.2.4, 4.7J.2.5 & 4.7J.2.6 - The *Capacity Obligation Capacity Charges* section has been updated to reflect the change in the *capacity auction* testing framework and to specify that *capacity auction participants* will be tested to their *cleared ICAP*.

4.7J.2.9 – A new sub-section has been added for the *Capacity Obligation In-Period Cleared UCAP Adjustment Charge*.

4.7J.6 - A new sub-section has been added for the *Capacity Obligation Availability Charges True-Up Payment*.

4.7J.7 - A new sub-section has been added for the *Capacity Obligation Capacity Auction Charges True-up Payment*.

## **Chapter 11**

Updated and/or added the following defined terms:

*availability de-rating factor*

*capacity auction capacity test*

*capacity auction dispatch test*

*capacity auction eligible generation resource*

*capacity auction eligible storage resource*

*capacity auction offer*

*capacity obligation*

*capacity qualification request*

*cleared ICAP*

*cleared UCAP*

*contributor outage*

*demand response energy bid*

*generator-backed import contributor*

*installed capacity (ICAP)*

*over committed capacity*

*system-backed capacity auction eligible import resource*

*unforced capacity (UCAP)*

Removed the following defined term:  
*enrolled capacity*

## Part 4 - Proposed Amendment

# Chapter 7

## 18.2 Participation in Capacity Auctions

18.2.1 No person may participate in a *capacity auction* nor receive a *capacity obligation* unless that person has:

18.2.1.1 been authorized by the *IESO* as a *capacity auction participant* in accordance with section 3 of Chapter 2 and in accordance with the applicable *market manual*;

18.2.1.2 submitted to the *IESO* ~~a *capacity qualification request*~~*enrolled capacity*, using forms and procedures as may be established by the *IESO* in the applicable *market manual*; and

18.2.1.3 no less than five *business days* prior to the date on which a *capacity auction* is to be conducted, provided to the *IESO* a *capacity auction deposit*, in one or both of the forms set forth in section 18.4.

18.2.2 The following provisions of the *market rules* shall not apply to a *capacity auction participant* that is authorized by the *IESO* to participate only in a *capacity auction* with an *hourly demand response resource*:

18.2.2.1 Chapters 4, 5, and 6;

18.2.2.2 Chapter 7 other than this section 18; and

18.2.2.3 Chapters 8 and 10.

18.2.3 A *capacity auction participant* who obtains a *capacity obligation* shall apply to become authorized by the *IESO* as a *capacity market participant* in accordance with section 3 of Chapter 2.

### **18.2A Capacity Auction - Capacity Qualification**

18.2A.1 For each *obligation period* in a *capacity auction*, the *IESO* shall determine the *unforced capacity* of each *capacity auction resource* where:

18.2A.1.1 the unforced capacity of a capacity auction eligible generation resource, a capacity auction eligible storage resource, or a capacity dispatchable load resource is calculated as:

$$\underline{UCAP = ICAP \times \text{availability de-rating factor}}$$

18.2A.1.2 the unforced capacity of a system-backed capacity auction eligible import resources is an amount equal to its installed capacity.

18.2A.1.3 the unforced capacity of a generator-backed import resource is the sum of the unforced capacities of all generator-backed import contributors that make up such generator-backed import resource. The unforced capacity of generator-backed import contributors is determined in accordance with the following:

18.2A.1.3.1 the unforced capacity of a generator-backed import contributor that is a generation facility is the equivalent capacity qualification determined by the applicable control area operator and provided to the IESO in accordance with the applicable market manual; and

18.2A.1.3.2 the unforced capacity of a generator-backed import contributor that is an electricity storage facility is calculated as:

$$\underline{UCAP = ICAP \times \text{availability de-rating factor}}$$

18.2A.1.4 the unforced capacity of an hourly demand response resource is an amount equal to its installed capacity.

18.2A.2 No capacity auction resource may participate in a capacity auction, nor receive a capacity obligation, in respect of any obligation period in relation to which the capacity auction resource has an unforced capacity of less than one MW.

18.2A.3 The IESO shall notify each capacity auction participant of the unforced capacity for each of the capacity auction participant's capacity auction resource on the date specified in accordance with section 18.5.4.1A.

## **18.3 Calculation of Capacity Auction Deposits**

18.3.1 ~~Upon receipt of enrolled capacity~~ Following the determination of unforced capacity in accordance with section 18.2~~A-1.2~~, the IESO shall determine for each capacity auction participant, a capacity auction deposit for a capacity auction as specified in the applicable market manual.

- 18.3.2 The *IESO* shall review the *capacity auction deposit* and *capacity auction prudential support* of a *capacity transferee* upon receipt of a request for a *capacity obligation* transfer in accordance with section 18.9.1. As a result of a transfer request, the *IESO* may increase the *capacity auction deposit* or *capacity auction prudential support* of a *capacity transferee* and the *IESO* shall notify the *capacity transferee* of any such increase.
- 18.3.3 Where the amount of a *capacity auction deposit* provided by a *capacity auction participant* exceeds the amount required by the *IESO*, the *IESO* shall return the excess amount to the *capacity auction participant* within five *business days* of such a request from the *capacity auction participant*. Otherwise, that amount shall be held by the *IESO* and shall form part of that *capacity auction participant's capacity auction deposit* for its participation in a subsequent *capacity auction*.

## 18.5 Capacity Auction Parameters

- 18.5.1 The *IESO* shall conduct *capacity auctions* at least on an annual basis to acquire *capacity* for a future one-year *commitment period*. In each *capacity auction* the *IESO* shall acquire *auction capacity* for each *obligation period* as specified in the applicable *market manual*.

### Demand Curve, Zonal Constraints and Pre-Auction Reports

- 18.5.2 The *IESO* shall, in accordance with the applicable *market manual*, publish a pre-auction report in advance of each *capacity auction*, including the following *capacity auction* demand curve reference points:
- 18.5.2.1 a *target capacity* in accordance with section 18.1.2;
- 18.5.2.2 a *capacity auction* reference price;
- 18.5.2.3 a maximum and minimum *capacity auction clearing price*;
- 18.5.2.4 [Intentionally left blank – section deleted]
- 18.5.2.5 a maximum *auction capacity* limit at the maximum *capacity auction clearing price* that a *capacity auction* shall clear; and
- 18.5.2.6 a maximum *auction capacity* limit that a *capacity auction* shall clear.
- 18.5.3 The *IESO* shall define *capacity auction zonal constraints* for each *capacity auction* and the *IESO* shall *publish*, in the pre-auction report, those requirements as specified in the applicable *market manual*.

- 18.5.4 The *IESO* shall specify and *publish* in the pre-auction report the following timelines associated with a *capacity auction*:
- 18.5.4.1 the deadline to submit a *capacity qualification request* ~~the amount of *enrolled capacity* the *capacity auction participant* is willing to provide~~ pursuant to section 18.2.1.2;
  - 18.5.4.1A the date on which the *IESO* shall notify *capacity auction participants* of the *unforced capacity* for each *capacity auction resource*;
  - 18.5.4.2 the deadline for a *capacity auction participant* to submit a *capacity auction deposit* in accordance with section 18.2.1.3;
  - 18.5.4.3 the dates ~~in~~on which a *capacity auction participant* may submit *capacity auction offers* for a *capacity auction*;
  - 18.5.4.4 the period over which the *IESO* shall conduct the *capacity auction*; and
  - 18.5.4.5 the date of *capacity auction* post-auction reporting in accordance with sections 18.8.1 and 18.8.2.
- 18.5.5 The *IESO* shall define the total *auction capacity* that may be provided by all *system-backed capacity import resources* and *generator-backed capacity import resources* in a *capacity auction* for each *obligation period*. The *IESO* shall *publish*, in the pre-auction report, these requirements as specified in the applicable *market manual*.
- 18.5.6 The *IESO* shall define the total *auction capacity* that may be provided by all *system-backed capacity import resources* and *generator-backed capacity import resources* on each applicable *intertie* in a *capacity auction* for each *obligation period*. The *IESO* shall *publish*, in the pre-auction report, these requirements as specified in the applicable *market manual*.

## 18.6 Capacity Auction Offers

- 18.6.1 A capacity auction offer:
- 18.6.1.1 may be submitted or revised by the *capacity auction participant* on the dates specified in accordance with section 18.5.4 and the applicable *market manual*;
  - 18.6.1.2 shall only be applicable to the *obligation periods* for which a *capacity auction participant* has submitted a *capacity auction offer*, in accordance with the applicable *market manual*; and
  - 18.6.1.3 shall be time stamped by the *IESO* when received.

- 18.6.2 A *capacity auction offer* shall only be submitted in respect of a given *capacity auction* if:
- 18.6.2.1 the *capacity auction participant* complies with the *capacity auction participant* requirements in section 18.2.1; and
  - 18.6.2.2 the *capacity auction participant* has not been disqualified from full or partial participation in the *capacity auction* pursuant to sections 19.4.8, 19.5.4, 19.7.4, 19.9.4 or 19.11.4.
- 18.6.3 A *capacity auction offer* may include up to twenty *price-quantity pairs* for each *obligation period* and shall comply with the following:
- 18.6.3.1 the *capacity auction offer* shall be for and applicable over an entire *obligation period* associated with a *capacity auction*;
  - 18.6.3.2 the *capacity auction offer price* in any *price-quantity pair* shall:
    - be expressed in dollars and whole cents per MW-day of *auction capacity* to be provided in each hour of the *availability window* throughout the *obligation period* associated with that *capacity auction*;
    - be greater than or equal to \$0.00/MW-day;
    - not exceed the applicable maximum *capacity auction clearing price*;
    - and
    - increase as the associated *capacity auction offer* quantity increases.
  - 18.6.3.3 the *capacity auction offer* quantity in any *price-quantity pair* shall be expressed in MW to not more than one decimal place and the total offered quantity shall not exceed the *enrolled-unforced* capacity of the *capacity auction resource*, ~~determined through the submission of *auction capacity* that a *capacity auction participant* is willing to provide in accordance with section 18.2.1.2;~~ and
  - 18.6.3.4 the *capacity auction offer* shall indicate whether the *capacity auction participant* is willing to clear a *capacity auction* with the full amount of *auction capacity* offered in a lamination or a partial amount of the *auction capacity* offered in a lamination, in accordance with the applicable *market manual*.



**18.8 Post-Auction Notification and Publication**

18.8.1 The IESO shall, as soon as practicable following the conclusion of a *capacity auction*, publish the following in accordance with the applicable *market manual*:

- 18.8.1.1 the *capacity auction clearing price*;
- 18.8.1.2 the amount of *auction capacity* that has been acquired in each electrical zone; and,
- 18.8.1.3 those *capacity auction participants* who received a *capacity obligation* and all respective *capacity obligations*; and,
- 18.8.1.4 ~~the enrolled capacity of each capacity auction participant.~~ [Intentionally left blank – section deleted]

18.8.2 The IESO shall, following the conclusion of a *capacity auction*, issue post-auction reports to each *capacity auction participant* by the date specified ~~in the pre-auction report~~ in accordance with section 18.5.4.5, to detail the *capacity auction offers* that have cleared in the *capacity auction* and the associated *capacity obligations* and cleared ICAPs for each *obligation period* in accordance with the applicable *market manual*:

18.8.2.1 the cleared ICAP is calculated as:

$$cleared\ ICAP = cleared\ UCAP \times \left( \frac{1}{availability\ de-rating\ factor} \right)$$

**18.9 Capacity Obligation Transfers**

18.9.1 A *capacity transferor* may, subject to IESO approval and in accordance with the applicable *market manual*, request a transfer of all or a portion of its *capacity obligation* to a *capacity transferee* provided that the following criteria are met:

- 18.9.1.1 the quantity to be transferred does not exceed the difference between the *capacity transferee’s* ~~enrolled-unforced capacity~~ of a capacity auction resource for the applicable obligation period, and its existing *capacity obligation* of such capacity auction resource for the applicable *obligation period*;
- 18.9.1.1.1 ~~[for the purposes of 18.9.1.1, the enrolled capacity refers to the enrolled capacity received by the capacity transferee in the obligation period for which the quantity is being transferred.]~~ [Intentionally left blank – section deleted]

- 18.9.1.2 the *capacity transferor* provides written confirmation to the *IESO* from the *capacity transferee* of its willingness to accept the transfer of a *capacity obligation* from the *capacity transferor*;
  - 18.9.1.3 the *capacity obligation* transfer shall consist of the same attributes (e.g. physical or virtual), as detailed in the applicable *market manual*, as the *capacity transferor's capacity obligation*;
  - 18.9.1.4 the quantity to be transferred is in increments of 0.1MW, and the resulting *capacity obligations* for both the *capacity transferor* and *capacity transferee* following the transfer shall be 0 MW, or greater than or equal to ~~one~~ MW; and
  - 18.9.1.5 [Intentionally left blank – section deleted]
  - 18.9.1.6 [Intentionally left blank – section deleted]
  - 18.9.1.7 [Intentionally left blank – section deleted]
  - 18.9.1.8 *capacity obligation* transfers must not result in the violation of any constraint as defined in the pre-auction report
- 18.9.1A Where the *capacity obligation* is transferred between electrical zones, the *capacity transferee* shall be settled based upon the *capacity auction clearing price* received by the *capacity transferor* when the *capacity obligation* first cleared the *capacity auction* in accordance with the applicable *market manual*.
- 18.9.2 For each transfer request that satisfies the criteria in section 18.9.1, the *IESO* shall determine the *capacity transferee's* revised *capacity auction deposit* and/or *capacity prudential support obligation*, as applicable, in accordance with section 18.3.2 and section 5B.3.3 of Chapter 2.
- 18.9.3 The *capacity transferee* shall provide the *IESO*, within five *business days* of receiving notification from the *IESO* or within such a longer period of time as may be agreed between the *IESO* and the *capacity transferee*, any additional *capacity auction deposit* and/or *capacity prudential support obligation* that may be required as a result of a transfer request.
- 18.9.4 After the revised *capacity auction deposits* and/or *capacity prudential support obligations* have been satisfied by the *capacity transferee*, the *IESO* shall notify the *capacity transferor* and *capacity transferee* of its approval or rejection, and the *IESO* shall *publish* updated post-auction reports pursuant to section 18.8. If the *IESO* approves the transfer, the *capacity transferor* may request a reassessment of its *capacity auction deposits* and/or *capacity prudential support obligation* to reflect its

revised capacity obligation and the IESO shall remit any excess capacity auction deposits and/or capacity prudential support obligation.

## 19. Capacity Market Participants with Capacity Obligations

### 19.4 Energy Market Participation for Hourly Demand Response Resources

#### Non-performance Events for Hourly Demand Response Resources

19.4.9 In the event of a reduction in the *demand response capacity* of an *hourly demand response resource*, associated with a *capacity obligation* acquired through a *capacity auction*, the *capacity market participant* shall notify the *IESO* as per the procedures and criteria specified in the applicable *market manual*.

19.4.9A [Intentionally left blank – section deleted]

19.4.10 A *capacity market participant* shall reduce its *bid* to take into account and reflect the maximum *demand response capacity* that it reasonably expects it can provide in accordance with section 3.5.6 and due to any non-performance event related to an *hourly demand response resource* in an *obligation period*.

19.4.10A Where a contributor outage has occurred and such contributor outage:

(a) began not more than 14 days prior to the day on which there is an activation; and

(b) ends within one hour prior to such activation or within the activation window of such activation;

then the capacity market participant may notify the IESO within five business days of the activation notice, in accordance with the process and requirements described in the applicable market manual.

19.4.10B Where the IESO receives a valid contributor outage notice pursuant to section 19.4.10A, the IESO shall adjust the assessment of the capacity market participant's performance as set out in the applicable market manual.

#### Capacity Auction Activation–Testing for Hourly Demand Response Resources

19.4.11 The *IESO* may, in accordance with the applicable *market manual*, direct a *capacity market participant* with a *capacity obligation* to perform a capacity auction dispatch test ~~activation testing~~ for each *hourly demand response resource* up to a maximum of

~~two capacity auction dispatch tests test activations per obligation period, to verify that a capacity obligation can be satisfied for a duration specified in the applicable market manual by the capacity market participant.~~

- 19.4.11A The *capacity market participant* shall perform a *capacity auction capacity test* once per *obligation period* for each *hourly demand response resource*, in accordance with the applicable *market manual*. The *capacity auction capacity test* shall occur within a *five business day testing window* determined by the *IESO*. The *IESO* shall provide notification to a *capacity market participant* of the *capacity auction capacity test* no less than ten *business days* prior to the first day of the testing window.
- 19.4.12 If a *capacity market participant* fails ~~during activation testing~~ a *capacity auction dispatch test* or a *capacity auction capacity test* performed pursuant to section 19.4.11 or 19.4.11A, respectively, the *capacity market participant* shall be subject to non-performance charges in accordance with the applicable *market manual* and Chapter 9. Failure during ~~activation testing~~ a *capacity auction dispatch test* or a *capacity auction capacity test* shall be considered a breach of the *market rules* and may result in sanctions in accordance with section 6.2 of Chapter 3.
- 19.4.13 The *IESO* shall provide a *capacity market participant* day-ahead notification of ~~test a~~ *capacity auction dispatch test* ~~activations~~ pursuant to section 19.4.11 and the test activation shall occur within the *availability window* of an *obligation period*.
- 19.4.14 The *capacity auction dispatch test* ~~test activation~~ shall occur in accordance with the *hourly demand response resource* activation process specified in this section 19.4.
- 19.4.15 The *hourly demand response resource* shall be entitled to compensation for valid ~~capacity auction dispatch tests~~ test activations conducted during a *commitment period* pursuant to this section 19.4 and in accordance with the applicable *market manuals*. The *hourly demand response resource* shall not be entitled to compensation for any costs related to any *capacity auction capacity test*.
- 19.4.16 The *capacity market participant* shall submit to the *IESO* all of the testing data and other information in accordance with the requirements and deadlines set out in the applicable *market manual*. If the *capacity market participant* fails to submit the entirety of such testing data and other information within such deadlines, the *capacity market participant* is deemed to have delivered zero MWh during the *capacity auction capacity test* or *capacity auction dispatch test*, as the case may be.
- 19.4.17 The *IESO* shall assess, in accordance with the applicable *market manual*, the testing data and other information submitted by the *capacity market participant* and shall provide notice to the *capacity market participant* of the results of the *capacity auction capacity test*.
- 19.4.18 Where the notice referred to in section 19.4.17 indicates that the *hourly demand response resource*'s average hourly capacity delivered over the four hour testing

period was less than 90% of its cleared UCAP and such capacity market participant has not filed a notice of disagreement in regards to the outcomes of the capacity auction capacity test in accordance with section 6.8 of chapter 9, such capacity market participant's capacity obligation for such hourly demand response resource shall, effective as of one business day following the time period referred to in section 6.3.14 of chapter 9, be reduced to the amount of capacity that was determined by the IESO, in accordance with the applicable market manual, to have been provided by the capacity market participant during the capacity auction capacity test. If such reduction in the capacity market participant's capacity obligation for such hourly demand response resource results in such capacity obligation being less than one MW, the remainder of the capacity market participant's capacity obligation for such hourly demand response resource is forfeited effective as of one business day following the time period referred to in section 6.3.14 of chapter 9.

19.4.19 Where the notice referred to in section 19.4.17 indicates that the hourly demand response resource's average hourly capacity delivered over the four hour testing period was less than 90% of its cleared UCAP, such capacity market participant shall be subject to an in-period cleared UCAP adjustment charge pursuant to section 4.7J.2.9 of Chapter 9.

19.4.20 After the relevant capacity market participant has made payment in full of any settlement amount owing pursuant to section 4.7J.2.9 of Chapter 9, in respect of the same capacity auction capacity test for which its capacity obligation is being reduced pursuant to this section 19.4.16, the capacity market participant may request a reassessment of its capacity prudential support obligation to reflect its revised capacity obligation and the IESO shall remit any excess prudential support.

## **19.5 Energy Market Participation for Capacity Dispatchable Load Resources**

### **Capacity Auction ~~Activation~~ Testing for Capacity Dispatchable Load Resources**

19.5.7 The IESO may, in accordance with the applicable market manual, direct a capacity dispatchable load resource market participant to perform ~~activation testing~~ a capacity auction dispatch test for each resource up to a maximum of two capacity auction dispatch test ~~activation tests~~ per obligation period, to verify that a capacity obligation can be satisfied for a duration specified in the applicable market manual by the capacity market participant.

19.5.7A The capacity market participant shall perform a capacity auction capacity test once per obligation period for each capacity dispatchable load resource, in accordance with the applicable market manual. The capacity auction capacity test shall occur within a five business day testing window determined by the IESO. The IESO shall provide notification to a capacity market participant of the capacity auction capacity test no less than ten business days prior to the first day of the testing window.

- 19.5.8 If a *capacity market participant* fails a *capacity auction dispatch test or a capacity auction capacity test* ~~activation testing~~ performed pursuant to section 19.5.7 or 19.5.7A, the *capacity market participant* shall be subject to non-performance charges in accordance with the applicable *market manual*. Failure during ~~activation testing a~~ *capacity auction dispatch test or capacity auction capacity test* shall be considered a breach of the *market rules* and may result in sanctions in accordance with section 6.2 of Chapter 3.
- 19.5.9 The *IESO* shall provide a *capacity dispatchable load resource* day-ahead notification of ~~test a capacity auction dispatch test activation~~ and the test activation shall occur within the *availability window* of an *obligation period*.
- 19.5.10 The *capacity auction dispatch test* ~~test activation~~ shall occur in accordance with the *dispatch instructions* for a *dispatchable load facility* specified in this section 19.5.
- 19.5.11 The *capacity dispatchable load resource* shall not be entitled to compensation for any costs related to any valid *capacity auction dispatch test or capacity auction capacity test* ~~test activation~~ conducted during an *obligation period* pursuant to this section 19.5.
- 19.5.12 The *capacity market participant* shall submit to the *IESO* all of the testing data and other information in accordance with the requirements and deadlines set out in the applicable *market manual*. If the *capacity market participant* fails to submit the entirety of such testing data and other information within such deadlines, the *capacity market participant* is deemed to have delivered zero MWh during the *capacity auction capacity test*.
- 19.5.13 The *IESO* shall assess, in accordance with the applicable *market manual*, the testing data and other information submitted by the *capacity market participant* and shall provide notice to the *capacity market participant* of the results of the *capacity auction capacity test*.

## 19.7 Energy Market Participation for Capacity Generation Resources

### Capacity Auction ~~Activation~~ Testing for Capacity Generation Resources

- 19.7.7 The *IESO* may, in accordance with the applicable *market manual*, direct a *capacity market participant* to perform ~~activation testing a~~ *capacity auction dispatch test* for each *capacity generation resource* up to a maximum of two *capacity auction dispatch tests* ~~activation tests~~ per *obligation period*. ~~to verify that a capacity obligation can be satisfied for a duration specified in the applicable market manual by the capacity market participant.~~
- 19.7.7A The *capacity market participant* shall perform a *capacity auction capacity test* once per *obligation period* for each *capacity generation resource*, in accordance with the

applicable market manual. The capacity auction capacity test shall occur within a five business day testing window determined by the IESO. The IESO shall provide notification to a capacity market participant of the capacity auction capacity test no less than ten business days prior to the first day of the testing window.

- 19.7.8 If a capacity market participant fails ~~an a capacity auction dispatch test or a capacity auction capacity test test~~ performed pursuant to section 19.7.7 or 19.7.7A, the capacity market participant shall be subject to non-performance charges in accordance with the applicable market manual. Failure during a capacity auction dispatch test or capacity auction capacity test activation testing shall be considered a breach of the market rules and may result in sanctions in accordance with section 6.2 of Chapter 3.
- 19.7.9 The IESO shall provide a capacity generation resource that is not a quick start facility ~~day ahead~~ notification up to one business day in advance of the ~~a capacity auction dispatch test test activation~~ and the ~~capacity auction dispatch test test activation~~ shall occur within the availability window of an obligation period.
- 19.7.9A The IESO shall provide a capacity generation resource that is a quick start facility notification at least one hour in advance of the dispatch hour of the ~~capacity auction dispatch test test activation~~ and the ~~capacity auction dispatch test test activation~~ shall occur within the availability window of an obligation period.
- 19.7.10 The ~~capacity auction dispatch test test activation~~ shall occur in accordance with the dispatch instructions specified in this section 19.7
- 19.7.11 The capacity market participant shall submit to the IESO all of the testing data and other information in accordance with the requirements and deadlines set out in the applicable market manual. If the capacity market participant fails to submit the entirety of such testing data and other information within such deadlines the capacity market participant is deemed to have delivered zero MWh during the capacity auction capacity test.
- 19.7.12 The IESO shall assess, in accordance with the applicable market manual, the testing data and other information submitted by the capacity market participant and shall provide notice to the capacity market participant of the results of the capacity auction capacity test.

## **19.8 Eligibility Requirements for System-Backed Capacity Import Resources**

- 19.8.1 A capacity market participant is eligible to satisfy its capacity obligation with a system-backed capacity import resource provided that the capacity market participant:

- 19.8.1.1 demonstrates to the satisfaction of the *IESO* that it can provide the *capacity obligation*, as specified in the applicable *market manual*;
- 19.8.1.2 is authorized as a *market participant* eligible to import *energy*;
- 19.8.1.3 is registered as a *boundary entity* pursuant to section 2.2.7; and
- 19.8.1.4 has provided *prudential support* and *capacity prudential support* in accordance with section 5 of Chapter 2.

## 19.9 Energy Market Participation for System-Backed Capacity Import Resources

### ~~Activation~~-Capacity Auction Testing for System-Backed Capacity Import Resources

- 19.9.6 The *IESO* may, in accordance with the applicable *market manual*, direct a *capacity market participant* to perform ~~activation testing~~ a capacity auction capacity test for each *system-backed capacity import resource*, up to a maximum of two capacity auction capacity tests~~activation tests~~ per *obligation period*, to verify that the cleared ICAP-energy offer can be satisfied for a duration specified in the applicable *market manual* by the *system-back capacity import resource*.
- 19.9.7 If a *capacity market participant* fails ~~an activation test~~ a capacity auction capacity test performed pursuant to section 19.9.6, the *capacity market participant* shall be subject to non-performance charges in accordance with Chapter 9 and the applicable *market manual*. -Failure during ~~activation testing~~ a capacity auction capacity test shall be considered a breach of the *market rules* and may result in sanctions in accordance with section 6.2 of Chapter 3.
- 19.9.8 The *IESO* shall provide a system-backed *capacity import resource* notification at least two hours in advance of the dispatch hour of the capacity auction capacity test ~~test activation~~ and the capacity auction capacity test ~~the test activation~~ shall occur within the *availability window* of an *obligation period*.
- 19.9.9 The capacity auction capacity test ~~test activation~~ shall occur in accordance with the *dispatch instructions* specified in this section 19.9.
- 19.9.10 The *IESO* shall assess, in accordance with the applicable *market manual*, the relevant testing and shall provide notice to the *capacity market participant* of the results of the capacity auction capacity test.



## 19.9A Eligibility Requirements for Generator-Backed Capacity Import Resources

19.9A.1 A *capacity market participant* is eligible to satisfy its *capacity obligation* with a *generator-backed capacity import resource* provided that the *capacity market participant*:

19.9A.1.1 demonstrates to the satisfaction of the *IESO* that it can provide the *capacity obligation*, as specified in the applicable *market manual*;

19.9A.1.2 is authorized as a *market participant* eligible to import *energy* in association with a *boundary entity*;

19.9A.1.3 has provided *prudential support* and *capacity prudential support* in accordance with section 5 of Chapter 2.

## 19.9B Energy Market Participation for Generator-Backed Capacity Import Resources

### Capacity Auction Testing for Generator-Backed Capacity Import Resources

19.9B.7 A *capacity market participant* satisfying its *capacity obligation* with a *generator-backed capacity import resource* must perform a *capacity auction capacity test*~~an activation test, per obligation period,~~ in accordance with the applicable *market manual*, by scheduling an *energy import* into the *IESO-administered market* for at least one ~~(1)~~ hour that coincides with the timing of its scheduled four hour activation in the neighbouring *control area*, on a date that falls within the first two months of the applicable *obligation period* and by submitting data to the *IESO* to confirm the capability of the *generator-backed capacity import resource* to inject at least its *capacity obligation-cleared ICAP* into the *control area* in which it is located for four consecutive hours within the *availability window*.

19.9B.8 A *capacity market participant* that fails to submit data pursuant to section 19.9B.7, in the form specified by the *IESO*, in a timely manner shall be subject to a *capacity obligation administration charge* pursuant to section 4.7J.2.3 of Chapter 9.

19.9B.9 If a *capacity market participant* fails ~~an activation test~~ a *capacity auction capacity test* performed pursuant to section 19.9B.7, the *capacity market participant* shall be subject to non-performance charges in accordance with the applicable *market manual*. Failure during ~~an activation test~~ a *capacity auction dispatch test* or a *capacity auction capacity test* shall be considered a breach of the *market rules* and may result in sanctions in accordance with section 6.2 of Chapter 3.

19.9B.10 The capacity auction capacity test ~~test activation~~ shall occur in accordance with the *dispatch instructions* specified in this section 19.9B.

19.9B.11 The capacity market participant shall submit to the IESO all of the testing data and other information in accordance with the requirements and deadlines set out in the applicable market manual. If the capacity market participant fails to submit the entirety of such testing data and other information within such deadlines the capacity market participant is deemed to have delivered zero MWh during the capacity auction capacity test.

19.9B.12 The IESO shall assess, in accordance with the applicable market manual, the testing data and other information submitted by the capacity market participant and shall provide notice to the capacity market participant of the results of the capacity auction capacity test.

## 19.11 Energy Market Participation for Capacity Storage Resources

### Capacity Auction Activation ~~Testing for Capacity Storage Resources~~

19.11.7 The IESO may, in accordance with the applicable *market manual*, direct a *capacity market participant* to perform ~~activation testing~~ a capacity auction dispatch test for each *capacity storage resource* up to a maximum of two capacity auction dispatch tests ~~activation tests~~ per *obligation period*. ~~to verify that a capacity obligation can be satisfied for a duration specified in the applicable market manual by the capacity market participant.~~

19.11.7A The capacity market participant shall perform a capacity auction capacity test once per obligation period for each capacity storage resource, in accordance with the applicable market manual. The capacity auction capacity test shall occur within a five business day testing window determined by the IESO. The IESO shall provide notification to a capacity market participant of the capacity auction capacity test no less than ten business days prior to the first day of the testing window.

19.11.8 If a *capacity market participant* fails ~~an activation~~ a test performed pursuant to section 19.11.7 or 19.11.7A, the *capacity market participant* shall be subject to non-performance charges in accordance with the applicable *market manual*. Failure during ~~activation~~ a capacity auction dispatch test or capacity auction capacity test testing shall be considered a breach of the *market rules* and may result in sanctions in accordance with section 6.2 of Chapter 3.

19.11.9 The IESO shall provide a *capacity storage resource* notification at least one hour in advance of the dispatch hour of the capacity auction dispatch test ~~test activation~~ and

the capacity auction dispatch test ~~test activation~~ shall occur within the *availability window* of an *obligation period*.

19.11.10 The capacity auction capacity test ~~test activation~~ shall occur in accordance with the *dispatch instructions* specified in this section 19.11.

19.11.11 The capacity market participant shall submit to the IESO all of the testing data and other information in accordance with the requirements and deadlines set out in the applicable market manual. If the capacity market participant fails to submit the entirety of such testing data and other information within such deadlines the capacity market participant is deemed to have delivered zero MWh during the capacity auction capacity test.

19.11.12 The IESO shall assess, in accordance with the applicable market manual, the testing data and other information submitted by the capacity market participant and shall provide notice to the capacity market participant of the results of the capacity auction capacity test.

# Chapter 9

## Data Inputs

3.1.10        The IESO shall provide the following *capacity auction* information and provide them directly to the *settlement process*:

$CARC_k^m$         =        the quantity of *energy* (in MW) of the *hourly demand response resource's demand response contributors* total registered capability for *capacity market participant 'k'* at *delivery point 'm'*, as registered with the IESO in accordance with the applicable *market manual*;

$CACP_z^h$         =        the *capacity auction clearing price* for *settlement hour 'h'* (in \$/MWh) within the *availability window* in electrical zone '*z*', determined by taking the *capacity auction clearing price* for the applicable *obligation period* and electrical zone and dividing by the number of *settlement hours* within the *availability window* of all *trading days* within the *obligation period*.

$CAEO_{h,k}^m$         =        the quantity of *auction capacity* for *settlement hour 'h'* (in MWh) made available by *capacity auction resource* for *capacity market participant 'k'* at *delivery point 'm'* in the relevant *settlement hour* of the *availability window* determined as the *lesser of the resource's energy offers* submitted in the *day-ahead commitment process*, *pre-dispatch*, and *real-time energy market*, as applicable.

$CCO_{k,h}^m$         =        the *capacity obligation* (in MW) for the *obligation period* per *capacity auction resource* for *capacity market participant 'k'* at *delivery point 'm'* in the relevant *settlement hour 'h'*, as may be adjusted pursuant to the *market rules*.

$CNPF_{tm}$         =        for a given *energy market billing period 'tm'*, the *non-performance factor* as listed in *Section 7.1 of Market Manual 12*.

$DREBQ_{k,h}^m$         =        the quantity (in MW) of *auction capacity* made available by an *hourly demand response resource* for *capacity market participant 'k'* at *delivery point 'm'* in *settlement hour 'h'* of the *availability window*, determined as the *lesser of the resource's energy bids* submitted in the *day-ahead commitment process*, *pre-dispatch*, and *real-time energy market*, as applicable, and where such value exceeds the  $CARC_k^m$  for the resource in the relevant *energy market billing*, the  $DREBQ_{k,h}^m$  shall equal such  $CARC_k^m$ .

$CICAP_k^m$         =        the *Cleared ICAP* (in MW) for *capacity auction resource* at *delivery point 'm'* for *capacity market participant 'k'* in the applicable *obligation period*, as determined in accordance with the applicable *market manual*.

$RAC_k^m$  = the available capacity (in MW) of a capacity auction resource at delivery point ‘m’ for capacity market participant ‘k’ in the applicable obligation period, and is determined in accordance with the following:

(a) For capacity dispatchable load resources and hourly demand response resources:

$$RAC_k^m = \text{MIN}(DREBQ_{k,h}^m, (1.15 * CCO_{k,h}^m), CICAP_k^m, CARC_k^m)$$

Where:

(i) CARC<sub>k</sub><sup>m</sup> is only applicable to virtual hourly demand response resources

(b) For capacity generation resources, system-backed capacity import resources, generator-backed capacity import resources and capacity storage resources:

$$RAC_k^m = \text{MIN}(CAEO_{h,k}^m, (1.15 * CCO_{k,h}^m), CICAP_k^m)$$

## 4.7J Capacity Obligations

### Capacity Obligation Capacity Charges

- 4.7J.2.4 ~~Subject to section 19.4.5 of Chapter 7, a~~ capacity market participant participating with an hourly demand response resource that fails to deliver its cleared ICAP within the applicable threshold, as set out in the applicable market manual, satisfy its capacity obligation in response to an capacity auction capacity test ~~activation test~~ shall be subject to a capacity charge.
- 4.7J.2.5 ~~Subject to section 7.5.3 of Chapter 7, a~~ capacity market participant participating with either a capacity dispatchable load resource, a capacity generation resource or a capacity storage resource that fails to deliver its cleared ICAP within the applicable threshold, as set out in the applicable market manual, satisfy its capacity obligation in response to an capacity auction capacity test ~~activation test~~ shall be subject to a capacity charge.
- 4.7J.2.6 ~~Subject to section 7.5.8A of Chapter 7, a~~ capacity market participant participating with a system-backed capacity import resource or a generator-backed capacity import resource that fails to deliver its cleared ICAP within the applicable threshold, as set out in the applicable market manual, satisfy its capacity obligation in response to an capacity auction capacity test ~~activation test~~ shall be subject to a capacity charge.

## Capacity Obligation In-Period Cleared UCAP Adjustment Charge

4.7J.2.9 The capacity obligation in-period cleared UCAP adjustment charge settlement amount for capacity market participant ‘k’ at delivery point ‘m’ in the relevant energy market billing period (“CAIPAm<sub>k</sub>”) shall be calculated and collected from such capacity market participant for i) the energy market billing period in which the IESO provided notice to the capacity market participant that the hourly demand response resource’s average hourly capacity delivered over the four hour testing period was less than 90% of its cleared UCAP; and ii) if the capacity market participant has filed a notice of disagreement in regards to the outcome of a capacity auction capacity test, each subsequent energy market billing period of the relevant obligation period. The capacity obligation in-period UCAP adjustment charge settlement amount is calculated as follows:

$$\text{CAIPAm}_k = \sum_d (-1 \times \text{Max} (0, (\text{CAAPm}_k \times (\text{UCAP Adjustment}) + \text{CAACm}_k))$$

Where:

(a) CAAPm<sub>k</sub> is the capacity obligation availability payment settlement amount for capacity market participant ‘k’ at delivery point ‘m’ for the relevant trading day, as calculated pursuant to section 4.7J.1.

(b) CAACm<sub>k</sub> is the capacity obligation availability charge settlement amount for capacity market participant ‘k’ at delivery point ‘m’ for the relevant trading day, as calculated pursuant to section 4.7J.2.1

(c) ‘d’ is determined in accordance with the following:

i. for the energy market billing period in which the IESO provided notice to the capacity market participant that the hourly demand response resource’s average hourly capacity delivered over the four hour testing period was less than 90% of its cleared UCAP, the set of business days within the relevant obligation period, commencing with the first business day of the relevant obligation period and ending one business day following the time period referred to in section 6.3.14; and

±ii. if the capacity market participant has filed a notice of disagreement in regards to the outcomes of the capacity auction capacity test in accordance with

section 6.8, the set of all *business days* within the relevant subsequent *energy market billing period*.

(b)(d) ‘UCAP Adjustment’ is a de-rate (in %) based on the *hourly demand response resource’s delivered performance during a capacity auction capacity test*, as determined in accordance with the applicable *market manual*. If the *capacity market participant* has filed a *notice of disagreement* in regards to the outcomes of the *capacity auction capacity test* in accordance with section 6.8, and but for filing such *notice of disagreement* the *capacity market participant* would have forfeited any of its *capacity obligation* pursuant to section 19.4.18 of chapter 7, then the UCAP Adjustment shall equal 100%.

- 4.7J.3 A *capacity market participant* or a *capacity auction participant* may elect to be subject to a buy-out charge for all, or a portion of, their *capacity obligation* in accordance with the applicable *market manual*, if they are unable to fulfill a *capacity obligation* for the remaining portion of an *obligation period*.
- 4.7J.4 At any time, the *IESO* may audit any submitted measurement data and supporting information and a *capacity market participant* shall provide such information in the time and manner specified by the *IESO*. If, as a result of such an audit, the *IESO* determines that actual measurement data and supporting information differed from the submitted measurement data and supporting information, the *IESO* shall recover from or distribute to a *capacity market participant* any resulting over or under payment, as applicable.
- 4.7J.5 The *IESO* shall remit a test activation payment or emergency activation payment for a valid *capacity auction dispatch test* ~~test activation~~ or emergency activation, respectively, of an *hourly demand response resource*, associated with a *capacity obligation*, if any, to the applicable *capacity market participant*, in the manner specified in the applicable *market manuals*.

### **Capacity Obligation Availability Charges True-Up Payment**

4.7J.6 The *capacity obligation* availability charge true-up settlement amount for *capacity market participant* ‘k’ at delivery point ‘m’ in the relevant *obligation period* (“CAACT<sup>m<sub>k</sub>”</sup>) shall be calculated and disbursed to such *capacity market participant* for each *obligation period* in which (i) the *capacity market participant* was subject to an availability charge pursuant to section 4.7J.2.1 or 4.7J.2.1A; and (ii) the *capacity market participant* offered an amount of capacity in excess of the *capacity obligation* of its *capacity auction resource* for at least one *settlement hour* within the *availability window* of the applicable *obligation period*. The *capacity auction* availability charge true-up settlement amount shall be calculated as follows:

$$\underline{CAACT^m_k = (\text{Min } ((-1) \times \sum_{tm} (\sum_d CAAC^m_k + \text{UCAP Adjustment} \times CAAP^m_k + CAIPA^m_k), \sum^H \text{Max } (0, (\text{RAC}_k - \text{CCO}_{k,h}) \times \text{CACP}_h \times \text{CNPF}_m))}$$

Where:

- (a) CAAC<sup>m</sup><sub>k</sub> is the capacity obligation availability charge settlement amount for capacity market participant ‘k’ at delivery point ‘m’ for the relevant trading day, as calculated pursuant to section 4.7J.2.1;
- (b) ‘UCAP Adjustment’ is a de-rate (in %) based on the hourly demand response resource’s delivered performance during a capacity auction capacity test performed during the relevant obligation period, as determined in accordance with the applicable market manual;
- (c) CAAP<sup>m</sup><sub>k</sub> is the capacity obligation availability payment settlement amount for capacity market participant ‘k’ at delivery point ‘m’ for the relevant energy market billing period, as calculated pursuant to section 4.7J.1;
- (d) CAIPA<sup>m</sup><sub>k</sub> is the capacity obligation in-period cleared UCAP adjustment charge settlement amount for capacity market participant ‘k’ at delivery point ‘m’ for the relevant energy market billing period;
- (e) ‘d’ is the set of all trading days within the relevant energy market billing period;
- (f) ‘tm’ is the set of all energy market billing periods within the relevant obligation period; and
- (g) ‘H’ is the set of all settlement hours ‘h’ within the availability window of the relevant obligation period.

### **Capacity Obligation Capacity Auction Charges True-up Payment**

4.7J.7 The capacity obligation charge true-up settlement amount for capacity market participant ‘k’ at delivery point ‘m’ in the relevant obligation period (“CACT<sup>m</sup><sub>k</sub>”) shall be calculated and disbursed to such capacity market participant for each obligation period in which the capacity market participant has a capacity obligation. The capacity obligation charge true-up settlement amount shall be calculated as follows:

$$\underline{CACT^m_k = -1 \times \text{Min } (0, (\sum_H \text{TD}_{C,k,h}^m + \sum_H \text{TD}_{P,k,h}^m))}$$

Where:



(a)  $TD_{C,k,h}^m$  is the total dollar value of all *settlement amounts* ‘C’ for *capacity market participant* ‘k’ at *delivery point* ‘m’ in *settlement hour* ‘h’ in the *relevant obligation period*, where:

a. ‘C’ is the set of the *settlement amounts* applied in accordance with MR Ch. 9 ss. 4.7J.2.1, 4.7J.2.1A, 4.7J.2.3, 4.7J.2.4, 4.7J.2.5, 4.7J.2.6, 4.7J.2.7, 4.7J.2.8, and 4.7J.2.9.

(b)  $TD_{P,k,h}^m$  is the total dollar value of all *settlement amounts* ‘P’ for *capacity market participant* ‘k’ at *delivery point* ‘m’ in *settlement hour* ‘h’ in the *relevant obligation period*, where:

a. ‘P’ is the set of the *settlement amounts* applied in accordance with MR Ch. 9 ss. 4.7J.1 and 4.7J.6

(c) ‘H’ is the set of all *settlement hours* ‘h’ within the *availability window* of the *relevant obligation period*.

# Chapter 11

availability de-rating factor means, in respect of an *obligation period*, a value which is assigned to a *capacity auction resource*, as determined in accordance with the applicable *market manual*.

capacity auction capacity test means a test which is used to evaluate a *capacity auction resource* on their ability to provide *capacity*, as specified in the applicable *market manual*;

capacity auction dispatch test means a test conducted by the *IESO* in which *capacity auction resources* are evaluated on their ability to successfully respond to *dispatch* instructions as specified in the applicable *market manual*;

*capacity auction eligible generation resource* means a *non-committed resource* that is associated with a *generation facility*, which is also a *connected facility* at the commencement of the capacity ~~enrollment~~-qualification process for a given *capacity auction*, and which is registered as dispatchable with the *IESO* prior to the *obligation period* in accordance with the timelines specified in the applicable *market manual*;

*capacity auction eligible storage resource* means a *non-committed resource* associated with an *electricity storage facility*, which is also a *connected facility* at the commencement of the capacity ~~enrollment~~-qualification process for a given *capacity auction*, and which is registered as dispatchable with the *IESO* prior to the *obligation period* in accordance with the timelines specified in the applicable *market manual*;

*capacity auction offer* means an *offer(s)* from a *capacity auction participant*, in the form of a *price-quantity pair(s)*, to provide *auction capacity* through a *capacity auction resource* for an applicable *obligation period*, reflecting the amount of *auction capacity* that the *capacity auction participant* can reliably and responsibly provide if received as a *capacity obligation*, and which *offer amount* is no greater than the *capacity auction participant's* ~~enrolled~~-unforced *capacity*;

*capacity obligation* means the amount of ~~auction capacity~~-cleared UCAP that a *capacity market participant* is required to provide from a particular *capacity auction resource* during each hour of the *availability window* of an *obligation period*;

capacity qualification request means a request submitted to the *IESO* by a *capacity auction participant* which includes the *installed capacity* and all other applicable information, using the forms specified by the *IESO*, for the determination of the *unforced capacity* of a *capacity auction resource* in the capacity qualification process specified in the applicable *market manual*;

cleared ICAP means, in respect of a *capacity auction resource*, an amount in megawatts of electricity, as determined in accordance with section 18.8.2 of Chapter 7 and adjusted for any applicable *capacity obligation buy-outs* or *capacity obligation transfers*;

cleared UCAP means an amount in megawatts of electricity that a *capacity auction resource* cleared in a given *capacity auction* and adjusted for any applicable *capacity obligation buy-outs*-, *capacity obligation transfers*, or in-period *cleared UCAP* adjustments;

contributor outage means an outage of a demand response contributor where its energy consumption is less than 1% of its peak consumption measured in the prior three months, excluding any outages related to generation units;

*demand response energy bid* means a *bid* in the day-ahead commitment process and the *real-time energy market*, greater than the *demand response bid price threshold*, except during the capacity auction capacity test testing window, and less than the *MMCP*, by a *capacity market participant* entered for either a *capacity dispatchable load resource* or an *hourly demand response resource* to fulfill a *capacity obligation availability* requirement;

~~*enrolled capacity* means a quantity in megawatts representing the maximum capacity auction offer that a capacity auction resource is willing to provide for an applicable obligation period, and which corresponds to an amount submitted to the IESO by the capacity auction participant during the enrollment period of a relevant capacity auction and if applicable, satisfies any qualification criteria that may be set out in the applicable market manual;~~

*generator-backed import contributor* means an existing in-service *generation facility* or *storage facility* associated with a *generator-backed capacity auction eligible import resource*, and which is located in a neighbouring *control area* that has an agreement with the *IESO* to allow for the trade of capacity, is able to ~~enroll~~ qualify capacity in accordance with the applicable *market manual*, has been in operation for at least one year prior to the *capacity auction*, is a resource type that is currently enabled to participate in the *IESO's capacity auction*, and is able to transmit energy from the *generation facility* or the *storage facility* to the Ontario border;

*installed capacity or ICAP* means the amount, in MW, of electricity submitted by a capacity auction participant, in accordance with the applicable market manual, during the IESO's capacity qualification process that reflects a capacity auction resource's maximum seasonal generation capability, load reduction capability, or import capability;

*over committed capacity* means capacity has been contracted to or otherwise obligated to be provided to the *IESO*, the *OEFC*, or another *control area operator* at any time during a given *obligation period* where the same capacity is included in a ~~capacity obligation cleared~~ ICAP held by a *capacity market participant* participating with a *generator-backed capacity import resource*;

*system-backed capacity auction eligible import resource* means a *capacity auction resource* associated with a *boundary entity* that is available to ~~enroll~~ qualify capacity that a neighbouring *control area operator* is willing to allocate to Ontario, if a *capacity obligation* is secured, for the duration of the applicable *obligation period*, which capacity would be deemed to be supplied from the entire system of the *neighbouring control area*. The allocated capacity must not otherwise be – in whole or in part – contracted to or otherwise obligated to be provided to the *IESO*, the *OEFC*, or another *control area operator* during the entire duration of a given *obligation period*;

*unforced capacity or UCAP means the maximum amount, in MW, that a capacity auction participant is able to offer for a capacity auction resource for an applicable obligation period, as calculated pursuant to section 18.2A.1 of Chapter 7;*