Assessment of Impact of Market Rule Amendment on Consumers Re: Price, Reliability, Quality of Electricity Service

This form is used to document the *IESO's* assessment of the impact of a proposed *market rule amendment* on the interests of consumers with respect to prices and the *reliability* and quality of electricity service.

Terms and acronyms used in this Form that are italicized have the meanings ascribed thereto in Chapter 11 of the *Market Rules*.

Part 1 – Market Rule Information

Identification No.: MR-00477-R00

Title: 2023 Capacity Auction Enhancements – Stream 2

Date of Assessment: September 12, 2023

Part 2 – Assessment

The following is the *IESO's* assessment of the impact of the proposed *market rule amendment* on the interests of consumers with respect to price and the *reliability* and quality of electricity service.

Impact on Price:

The proposed market rule amendment will have no impact on energy market prices, however, the proposed changes may impact consumers as the Capacity Auction payments are recovered through the capacity auction uplift settlement amount. As part of the proposed Market Rule Amendments, the capacity qualification process will be modified with the introduction of the performance adjustment factor. This change may result in capacity auction participants being more conservative when self-qualifying into the capacity auction. This change may result in an increased clearing price in the capacity auction as more resources may be required to fulfill the target capacity. However, the auction clearing price should more accurately reflect the value the resources are actually providing.

Impact on Reliability of Electricity Service:

The proposed market rule amendments will see the capacity qualification process modified with the introduction of the performance adjustment factor. This change is intended to help ensure that resources only offer into the capacity auction an amount of capacity they have shown or believe they are capable of delivering. This will improve reliability, as the IESO will be able to rely more accurately on the capacity values associated with each capacity resource.

Impact on Quality of Electricity Service:

None