Feedback Form

Capacity Accreditation for IESO – Date, October 22nd 2026

Feedback Provided by:

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Date: October 30, 2026

To promote transparency, feedback submitted will be posted on the Capacity Accreditation for IESO engagement page unless otherwise requested by the sender.

- ☐ **Yes – there is confidential information, do not post**
- ■ **No – comfortable to publish to the IESO web page**

Following the Capacity Accreditation for IESO October 22 2026, engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed. The presentation and recording can be accessed from the engagement webpage.

Note: The IESO will accept additional materials where it may be required to support your rationale provided below. When sending additional materials please indicate if they are confidential.

Please submit feedback to engagement@ieso.ca **by October 30th 2026.**

Transparency and Capacity Accreditation

Topic	Feedback
The IESO proposed three measures to provide transparency for stakeholders for use of the MRI capacity accreditation methodology. Are stakeholders supportive of these measures?	Environmental Defence Canada (EDC) recommends retaining the existing capacity accreditation framework for LT2 Window 2, with implementation of MRI considered no earlier than Window 3. Importantly, deferring MRI implementation must not delay the LT2 Window 2 procurement itself. Introducing significant changes to accreditation values before the methodology has been adequately reviewed and validated could undermine competition, increase project costs and disadvantage otherwise viable non-emitting resources. The IESO should publish sufficient technical information to allow stakeholders to meaningfully assess and challenge the assumptions underlying accreditation values before they are incorporated into procurement decisions. Publish the full methodology, supporting assumptions, indicative accreditation values and sensitivity ranges, with at least 60 days for meaningful stakeholder review. Results should also be tested against historical resource performance and operational experience before informing binding procurement decisions. Transparency should also extend beyond the methodology itself to demonstrate how accreditation results may influence procurement targets, evaluation criteria and the competitiveness of different technologies. These measures are essential to ensuring that the transition to MRI supports Ontario's reliability needs while maintaining fair competition and protecting ratepayers.
Beyond the three measures proposed, is there anything else you would like to see from the IESO to support transparency on capacity accreditation?	EDC recommends three additional measures to ensure the proposed MRI methodology is transparent, equitable and adequately assessed before implementation: **1. Publish sensitivity analyses for renewable energy and storage.** Demonstrate how accreditation values change with electricity demand, renewable energy penetration,

	storage duration and the generation mix. For instance, storage's capacity value should not be presumed to decline uniformly or inevitably, as it depends on evolving system conditions. **2. Ensure fair and consistent assessment of all technologies.** The IESO should demonstrate that its modelling accurately reflects the reliability characteristics and operating limitations of each resource type, including fuel-supply risks and potential outages associated with fossil gas generation. A consistent approach should ensure that no technology receives an unfair advantage because its reliability risks are inadequately accounted for. **3. Assess hybrid and complementary resources.** Develop an approach to evaluating solar-plus-storage, wind-plus-storage and other complementary configurations, including their combined reliability contributions.

General Comments/Feedback

EDC recognizes the importance of ensuring that Ontario's electricity procurements secure resources capable of meeting future reliability needs. However, we are concerned about the proposed Marginal Reliability Impact (MRI) methodology's potential implications for renewable energy and battery storage, particularly if introduced into LT2 Window 2 before sufficient technical review and stakeholder consultation.

The IESO's October 22 webinar presented MRI accreditation values of 14.83% for four-hour battery storage, 31.29% for eight-hour storage and 37.57% for twelve-hour storage, compared with 94.07% for unrestricted fossil gas. These substantial differences warrant further examination before being applied to long-term procurement decisions.

The study uses a 2032 reference system and annual accreditation values, without modelling transmission constraints or planned outages. The IESO should demonstrate how these assumptions influence the results, particularly as Ontario's electricity demand grows and additional renewable energy and storage resources come online. This should include assessing whether modelling a single geographic location and resource increment adequately reflects the diversity of potential projects and electricity system conditions across Ontario.

EDC is particularly concerned that the proposed accreditation values could undervalue storage's evolving reliability contribution if future renewable generation, complementary resource configurations and changing system conditions are not adequately represented. Similarly, the accreditation of fossil gas should fully account for relevant reliability risks, including fuel-supply constraints, correlated outages and operating limitations, such as restrictions on annual operating hours or energy production. These considerations are particularly important given Ontario's reliance on imported natural gas and potential fuel-supply disruptions.

EDC recommends retaining the existing capacity accreditation framework for LT2(c-2), with implementation of a replacement methodology considered no earlier than Window 3, following meaningful technical consultation, sensitivity analyses and a transparent assessment of procurement impacts. Importantly, deferring MRI implementation should not delay LT2 Window 2 itself, given the urgency of securing additional electricity supply to meet Ontario's growing demand.

While the IESO has identified valid reasons to modernize capacity accreditation, it has not yet demonstrated why immediate implementation in Window 2 is necessary to meet Ontario's 2032 reliability needs. Introducing significant changes before the methodology has been adequately reviewed and validated could reduce competition, increase project costs and discourage otherwise viable non-emitting projects. Accreditation should not create unnecessary barriers to clean energy resources or provide preferential treatment to fossil gas generation.

EDC also emphasizes that capacity accreditation should be considered alongside the broader system benefits provided by non-emitting technologies. Battery storage's rapid response, ramping capabilities and ability to provide regulation and grid-forming services contribute to a more flexible and reliable electricity system. While these benefits are not necessarily captured through capacity accreditation, they should be appropriately recognized through complementary procurement and market mechanisms.

Ultimately, capacity accreditation should strengthen Ontario's electricity reliability while supporting fair competition, protecting ratepayers and accelerating the deployment of affordable, non-emitting resources. EDC encourages the IESO to pursue a transparent, evidence-based and carefully managed transition that achieves these objectives without disrupting ongoing procurement processes.