

Feedback Form

Annual Acquisition Report

Public Information Session – April 8, 2022

Feedback Provided by:

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Date: April 28th, 2022

Following the April 8^h public information session on the Annual Acquisition Report (AAR), the Independent Electricity System Operator (IESO) is seeking feedback from participants on a variety of questions and details included in the report and session on April 8 to help further inform the path forward on meeting the needs identified in the AAR.

The referenced presentation can be found on the [AAR webpage](#).

Please provide feedback by **April, 27 2022 to engagement@ieso.ca**. Also, please feel free to send any questions or request for clarification on the AAR in advance of the April 20 engagement session. This will ensure the IESO is prepared to help inform stakeholder feedback before the April 27 deadline.

Same Technology Expansions

Topic	Feedback
What procurement/negotiation timelines (i.e., contract execution) and forward period would be required to support a 2025 in-service date?	
Is there any other external support (e.g., from the IESO) that would be needed to help proponents meet expedited development timelines?	
What considerations should be given for community engagement and/or indigenous participation?	

Forward Capacity Auction

Topic	Feedback
Expanded participation and eligibility for resources	AEMA supports the expansion of eligibility for participants in the Capacity Auction and the Forward Capacity Auction. However, as more resources are eligible to participate the target capacities need to increase to reflect the growing capacity pool.
Demand curve parameters	

Interactions with the annual capacity auction including target capacities

AEMA recommends a stakeholder discussion on how the FCA will interact with the CA. If the CA will become a balancing auction, then that decision needs to be made well in advance of the 2023 FCA Auction date so participants are able to understand their participation in the FCA and the Capacity Auctions leading up to the FCA.

Currently capacity targets are identified for 2023 and 2024 periods. Will those be the targets of the Capacity Auction or the FCA? Will the FCA have additional targets in addition to the CA?

Currently the AAR has not identified firm guidance on capacity targets beyond 2025. As noted by Capacity Auction participants during the IESO stakeholder engagement, this adds uncertainty to the future of the CA (and now added uncertainty with the FCA and how it will interact). AEMA recommends that the AAR be updated to include Auction targets beyond 2025 so participants are able to forecast their participation, similar to resources participating in the long-term procurement mechanisms.

If there will be both a FCA and a CA for the same delivery year, then the market rules should be the same.

However, those rules cannot be based on the 2022 Capacity Auction rules as there are identified missing pieces that need to be resolved. AEMA has argued that the current proposed set of market rule amendments for the December 2022 Capacity Auction do not provide the right energy market participation incentives and nor do they provide for a comparable participation model between different resource types.

Topic	Feedback
	<p>AEMA has advocated for a comparable de-rate, and outage rules for each resource type. The incentive structure/penalty regime for different resource types also is not aligned. AEMA insists that these issues are resolved in advance of the launch of a FCA and that the FCA not be based on the incomplete market rules of the December 2022 Auction.</p>
<p>Input into the design of longer commitment periods</p>	<p>Capacity participants should have a choice of their commitment periods. Whereas some resources are able to 'lock in' longer term obligations, other would prefer maintaining year over year commitments based on their business activities and forecasts. As resources become more decentralized and smaller, commitment period options will enable more flexibility for the resources, but also for the system operator. As demonstrated in past procurements, long term commitments have not always demonstrated ratepayer value.</p> <p>With the introduction of a FCA and the change to a 'balancing auction' (for only the 3 years of the 'one-off' FCA?) of the Capacity Auction, along with the introduction of multiple long-term RFPs with various categories, if the IESO wants to keep the value of the Capacity Auction it will need to ensure that forecasted capacity targets keep in pace with the growing capacity needs, and that the Auction (whether it be a FCA or a CA or a Balancing Auction), not just be a place for the leftovers MW.</p>

Topic	Feedback
Other business/engagement/participation considerations associated with longer forward periods	Since the launch of the Demand Response Auction and the subsequent Capacity Auction, market rule amendments have occurred on a yearly basis. If a forward period beyond 1 year exists, with the ability to 'lock in' for multiple years then the market rules need to be right before they FCA is launched, and any market rule amendment process needs to reflect proper stakeholder governance and processes

Expedited Procurement

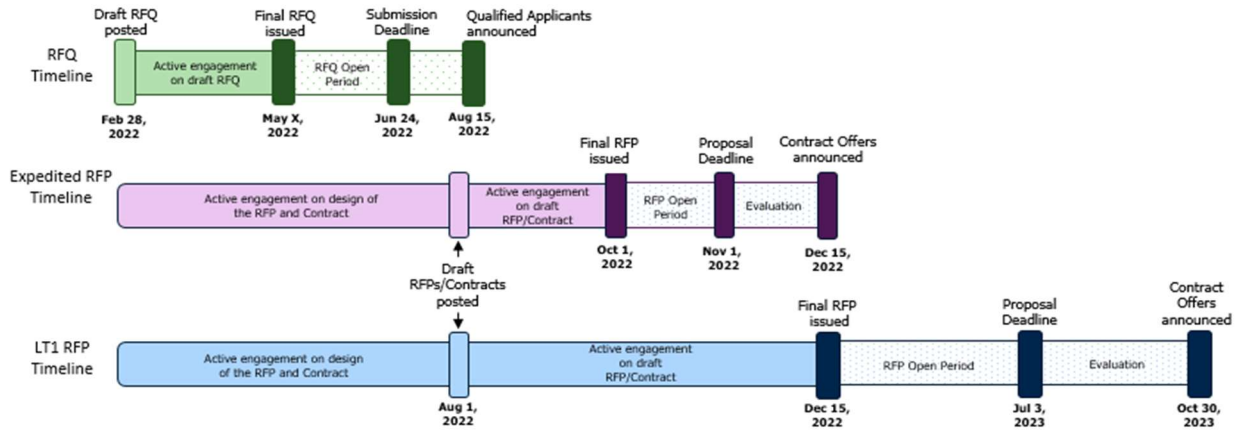
Topic	Feedback
What incentives are sufficient to encourage expedited project development to meet the 2025 needs (e.g., term length, pricing adders, reduced RFP requirements)?	
What procurement timelines (i.e., contract execution) and forward period would be required to support a 2025 in-service date?	
Is there any other external support (e.g., from the IESO) that would be needed to help proponents meet expedited development timelines?	
What considerations should be given for community engagement and/or Indigenous participation?	

General Comments/Feedback

This section can include insight on the proposed additional mechanisms including:

- Whether these are the right mechanisms to support in-service dates of 2025/26?
- Are the proposed timelines for the expedited process achievable?

Expedited and LT RFP Procurement Timelines*



*All future dates are tentative: 2022 and 2023 timelines are not to scale.

General Feedback (expand this text box as required):

AEMA is a North American trade association whose members include distributed energy resources ("DER"), demand response ("DR"), and advanced energy management service and technology providers, as well as some of Ontario's largest consumer resources, who support advanced energy management solutions due to the electricity cost savings those solutions provide to their businesses. These comments represent the views of AEMA as an organization, not any individual company.