

Capacity Auction | March 2021 Auction Design

Stakeholder Feedback Form

Date Submitted: March 31, 2020	Feedback provided by:
Feedback Due: March 26, 2020	Company Name: Advanced Energy Management Alliance
	Contact Name: Katherine Hamilton, Executive Director
	Email:

The IESO released a draft design document for the March 2021 Capacity Auction on March 5, 2020 that is available on the engagement webpage [here](#) (under March 12).

Stakeholder feedback on the document is being requested by **March 26** to engagement@ieso.ca.

This feedback form is intended to help organize stakeholder feedback in two key areas:

- 1. General feedback on the March 2021 Capacity Auction design:** *Is the overall design implementable? Does the March 2021 Capacity Auction design provide the appropriate level of certainty, increase competition, and enable participation from the eligible resources for the March 2021 auction and 2022 commitment period?*
- 2. Detailed comments on specific elements of the design:** *Are there any specific design elements that would prevent a successful auction from taking place or a particular resource from meeting a capacity obligation?*

General feedback on the March 2021 Capacity Auction design

AEMA supports the renaming/versioning methodology outlined in the March 12th Capacity Auction presentation – June 2020 CA = CA #1; March 2021 CA = #2.

AEMA supports the deferral of the December 2020 Capacity Auction to March 2021. This will enable key features that are being worked on, including those at the DRWG, to have enough time to be incorporated into the March 2021/CA#2 market rules and market manuals.

AEMA is a North American trade association whose members include distributed energy resources, 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. The comments herein represent those of the organization, not those of any individual member.

Chapter/Design Element	Detailed Comments on Design Phase (Areas of Support or Concern)
<p>Auction Overview and Timelines</p> <ul style="list-style-type: none"> • Pre-Auction Period • Auction Period • Forward Period • Commitment and Obligation Periods 	
<p>Expanding Participation</p> <ul style="list-style-type: none"> • Generator Backed Capacity Import • Capacity Self-Scheduling Resources 	
<p>Consolidation of Resources</p> <ul style="list-style-type: none"> • Offer Submission and Auction Clearing • Forward Period Obligations • Dispatch Data Submission • Resource Dispatch 	

Chapter/Design Element	Detailed Comments on Design Phase (Areas of Support or Concern)
<ul style="list-style-type: none"> • Testing 	
<p>Capacity Qualification Process</p>	
<p>Market Power Mitigation Process</p> <ul style="list-style-type: none"> • Exemptions • Determination of Market Power • Market Power Mitigation Mechanisms 	<p>New resources will be exempt from Market Power Mitigation in the Capacity Auction. However for aggregated Hourly Demand Response resources, a resource may be made up of existing capacity as well as new incremental capacity since an aggregator is only able to have 1 resource per zone. A topic of discussion at the DRWG to improve the efficiency of demand response resources in the Capacity Auction is the ability for aggregators to have more than 1 resource per zone. If aggregators were able to have multiple resources per zones, then they would be able to split out new and existing contributors and be treated in a comparable manner for market power mitigation as other new resources.</p> <p>Allowing >1 aggregated resource would also be helpful for resource grouping. With two aggregated resources per zone, aggregators could potentially split contributors by performance or type (over-delivery vs not, industrial vs commercial, slow vs fast ramp etc.)</p>
<p>Pre-Auction Period</p> <ul style="list-style-type: none"> • Determination of Auction Parameters • Pre-Auction Reporting • Authorization Process • Consolidation of Resources • Capacity Qualification and Performance Assessment • Market Power Mitigation 	

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Chapter/Design Element	Detailed Comments on Design Phase (Areas of Support or Concern)
<p>Auction Period</p> <ul style="list-style-type: none"> • Offer Submission • Auction Clearing and Price Setting • Post Auction Reporting Obligations 	
<p>Forward Period</p> <ul style="list-style-type: none"> • Participant Authorization in Auction • Resource Registration • Capacity Prudential Support • Capacity Obligation Transfers • Buy outs 	<p>AEMA requests further information (perhaps an example) of why participants who transfer MWs out of a particular zone will not be allowed to transfer MWs back into the same zone for the applicable season. See slide 57 of the March 12th CA presentation.</p>
<p>Commitment Period</p> <ul style="list-style-type: none"> • Energy Market Participation • Payments (Settlement Process) • Performance Obligation Assessment and Associated Charges or True-Ups 	
<p>Cost Recovery</p>	

Thank you for your feedback!

IESO Engagement