

# Feedback Form

## Capacity Auction Enhancements – August 20, 2026

### Feedback Provided by:

Name: Jianing Fan

Title: Senior Energy Markets Manager

Organization: Voltus Energy Canada

Email: [REDACTED]

Date: Sept 1, 2026

Following the August 20, 2026 Capacity Auction Enhancements webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed.

The referenced presentation and supporting materials can be found under the August 20, 2026, entry on the [Capacity Auction Enhancements](#) webpage.

To promote transparency, feedback submitted will be posted on the Capacity Auction Enhancements page unless otherwise requested by the sender. If you wish to provide confidential feedback, please mark “Yes” below:

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

**Please provide feedback by September 3, 2026, to [engagement@ieso.ca](mailto:engagement@ieso.ca).** Please use subject: *Feedback: Capacity Auction Enhancements*.

## Expanded One-Month Capacity Test Window

| Topic                                                                                                                                                                             | Feedback                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Do you have any feedback regarding the proposal that all resource types will complete a capacity test within a one-month testing window at the start of each obligation period?   | <p>While we support expanding the test window itself from one week to one month, we have a significant concern with fixing the test window to May and November specifically, particularly as it relates to HDR resources. Testing in May and November means HDR baselines would be established during shoulder-season conditions, when load is meaningfully lower than the peak conditions the resource is actually expected to perform under during the summer and winter obligation periods. This creates a real risk of understating (or inaccurately characterizing) HDR performance capability relative to what will be required when the resource is actually called upon.</p> <p>We would recommend the IESO instead fix the test window to June and January, when load levels are more representative of the peak conditions HDR resources are obligated to perform against. This would produce a baseline that more accurately reflects real-world performance expectations, while still preserving the benefit of a longer, more predictable testing window.</p> |
| Does this proposed enhancement offer greater flexibility to manage grid and resource unavailability (i.e., outages) and scheduling when attempting to complete the capacity test? | <p>Yes. Fixing the test window to May and November gives resources better clarity to plan and balance their operations against demand response performance obligations, rather than needing to work around a narrower, less predictable window. Expanding the test window from one week to a month also provides meaningful</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

|                                                                      |                                                                                                                                |
|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
|                                                                      | flexibility to manage outages, maintenance activities, and scheduling conflicts when attempting to complete the capacity test. |
| What other details do stakeholders require to support this proposal? |                                                                                                                                |

## Expand Participation

| Topic                                                                                                                                                             | Feedback                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Do you have any feedback regarding the proposal to enable distribution-connected dispatchable generator/storage resources to participate in the Capacity Auction? | We support including distribution-connected dispatchable generator/storage resources in the Capacity Auction. This aligns with Ontario's broader energy direction: the province's Integrated Energy Plan, <i>Energy for Generations</i> , identifies Distributed Energy Resources as a core pillar of the province's 25-year energy roadmap and directs regulatory changes to unlock their value. This is also consistent with the direction set out in the IESO's 2026–2028 Business Plan and the Enabling Resources Program. Enabling qualified distribution-connected dispatchable resources to compete in the Capacity Auction is a natural extension of this direction, giving these resources a market-based revenue pathway and helping capture the affordability and reliability benefits the province has identified as a priority. |

## Improving Hourly Demand Response (HDR) Performance

| Topic                                                                                                                                | Feedback                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Do you have any feedback regarding the goals of the Improve HDR Performance enhancement as outlined on slide 28 of the presentation? | No, we do not have feedback on the goals themselves. We support (1) improving HDR activation performance relative to capacity obligations, and (2) encouraging more |

|                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                               | <p>accurate energy market bid submissions and compliance with dispatch instructions. We also support IESO's stated intent to explore how market signals can be modified to help HDR resources better prepare for and respond to activations.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>What are the main issues that prevent an HDR resource from delivering to their obligation during non-test activations?</p> | <p>Voltus' view is that HDR performance during non-test activations should not be evaluated against the resource's capacity obligation, but against its energy bid. We recognize the IESO capacity auction team's observation that only 9% of obligated MW saw bid updates during non-test activations in summer 2025. However, the energy bid is, in principle, the mechanism by which a resource is meant to reflect its true real-time availability. If a resource updates its energy bid, that updated bid is and should be the basis for evaluating delivery performance.</p> <p>This is particularly important given the existing settlement structure: resources are already subject to an availability charge whenever their energy bid falls below the obligated amount. Measuring non-test activation performance against the obligation, on top of this existing availability charge, effectively penalizes the same shortfall twice.</p> <p>One of the main operational drivers behind reduced delivery is that non-test activations frequently occur on the same days as customer peak shaving events. When this happens, in-day adjustments erode the resource's baseline, reducing the amount of load reduction that can be measured and</p> |

|                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                           | <p>credited during the activation. As a result, the full enrolled kW is often not deliverable on these days — not because the underlying flexibility doesn't exist, but because the baseline itself has already been compressed by the customer's own peak-shaving activity earlier in the day. Voltus actively manages our bids during activations to reflect this reduced availability relative to baseline in real time.</p> <p>A related driver is financial incentives at the customer level. Customers frequently have stronger financial incentives to prioritize their own peak-shaving activities (e.g., reducing their global adjustment or demand charges) over responding to an HDR emergency activation, which can further limit the load reduction available to deliver against the capacity obligation at the time of activation.</p> <p>We understand that the minimal volume of energy bid updates during non-test activations, and the resulting lack of data, creates difficulty for the IESO in effectively measuring HDR performance. This issue is discussed further in the following question, where we suggest ways to incentivize bid updates. Voltus actively manages our bids during activations to accurately reflect real-time availability.</p> |
| <p>What are the main issues that prevent an HDR resource from submitting and updating accurate bids and delivering to dispatch schedules during non-test activations?</p> | <p>Two main drivers prevent HDR resources from submitting and updating accurate bids and reliably delivering to dispatch schedules during non-test activations:</p> <p><b>Inability to account for an incomplete adjustment window.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

|                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                            | <p>The current contributor/resource baseline is not established prior to the closure of the bid adjustment window. This means that we cannot know our “real-time capability” until 1-hour ahead of the dispatch hour, but bids must be updated by 2-hours before the start of the event.</p> <p><b>Misaligned settlement incentives.</b> The current settlement structure does not adequately incentivize bid updates at the time of activation. Revising a bid downward from the obligated amount exposes the aggregator to an availability charge, while underperforming against an activation results in a dispatch charge. These two charge types differ in nature and intent but are equivalent in magnitude. As a result, there is little financial incentive to update a bid to reflect true availability once activated, particularly given that many activations occur on very short notice, leaving limited time to reassess and communicate updated figures across a zonal customer base. If IESO wants to incent availability management, maintaining accurate availability (with workable error bars) should be a compliance obligation, and/or the performance penalty should be higher than the availability penalty.</p> |
| How could existing market signals (pre-dispatch prices, adequacy reports, etc.) and notifications (standby and activation notices) be modified to better prepare HDRs to respond to dispatch instructions? |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Would a cap on the number of activations over a specific timeframe (monthly, seasonal, etc.) drive                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

|                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>better performance and encourage more demand response participation?</p>                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>Do you have any other suggestions that could give HDR resources a greater ability to prepare and respond to an activation?</p> | <p>We recommend that the IESO apply caps and floors to the in-day adjustment factor at the individual contributor level, rather than at the zonal aggregation level as is done today. This would allow for more accurate measurement of performance during HDR activations.</p> <p>We would also note that a contributor will not increase its energy usage in response to an HDR activation: if a contributor's usage rises during an activation, it reflects a decision to prioritize its own operational needs over demand response performance, not a response to the dispatch signal itself. In other words, demand response M&amp;V is always meant to measure how a load changed in response to a dispatch signal, from a baseline meant to represent normal operations. If a load goes up during a dispatch, that means it ignored the dispatch signal and the load shown <i>is</i> normal operations. The response to the dispatch signal is null.</p> <p>Given this, aggregators should be able to deduct that contributor's unavailability from the zonal aggregation and reflect it in updated bids to the IESO. However, at the performance evaluation stage, a contributor that declines to participate in the activation should not affect the measured performance of the other contributors within the same portfolio. The proposal to cap and floor individual contributors is in line with this philosophy.</p> |

## Review of Resource-Specific UCAP Methodologies

| Topic                                                                                                                              | Feedback |
|------------------------------------------------------------------------------------------------------------------------------------|----------|
| Do you have any feedback regarding the review of capacity qualification methodologies for dispatchable loads?                      |          |
| Do you have any feedback regarding the review of capacity qualification methodologies for generator-backed import (GBI) resources? |          |

## 2027 Prioritized Enhancements

| Topic                                                                                                                       | Feedback |
|-----------------------------------------------------------------------------------------------------------------------------|----------|
| Do you have any other feedback regarding the prioritized enhancements for 2027 and/or engagement timelines presented today? |          |

## General Comments/Feedback