Feedback Form

Capacity Auction Enhancements – October 16, 2026

Feedback Provided by:

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Following the October 16, 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 October 16, 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**
- x **No – comfortable to publish to the IESO web page**

Please provide feedback by October 30, 2026, to engagement@ieso.ca. Please use subject: *Feedback: Capacity Auction Enhancements*.

Improve HDR Performance: Activation Performance Relative to Obligation

Topic	Feedback
Does the proposed testing rules enhancement encourage activation delivery to the obligation amount?	Voltus believes that a majority of the activation delivery issues being observed by the IESO are a function of using Real-time Energy Delivery as the primary measure of capacity delivery. Outside Ontario, the major North American ISO capacity constructs (NYISO, PJM, ISO-NE, MISO and CAISO) separate the capacity baseline from the energy baseline. Capacity delivery is generally measured as a reduction against the Capacity Planning MW associated with the registered resource. In NYISO, this is done on the site's highest 20 hours of usage in the System top 40 demand hours. This is similar to how Dispatchable Loads are qualified in the Capacity Auction (Median of site offers in their top 100 hours of System top 200 demand hours). Voltus believes that sites should be baselined using this Dispatchable Load metric for Capacity. The energy baseline should then be maintained and EMI offers should reflect energy delivery. Voltus supports the one-month capacity test window. A longer window lets contributors schedule the test around production, maintenance and outages, and it reduces rescheduling and exception requests for participants and for the IESO. Voltus asks that this testing window run from the 15th of May to the 15th of June in the Summer and the 15th of November to the 15th of December in the Winter to place the test under conditions that better reflect the load resources carry when they are called on.

	Delivery to the obligation during activations depends on resources knowing their baseline before the mandatory bid window closes. That is not the case today, because the in-day adjustment is not known until after the window. Our feedback on the Emergency Activation Charge below addresses this by moving the In-day Adjustment window so that it concludes with sufficient time to adjust bids ahead of the mandatory window.

Improve HDR Performance: Accurate Energy Market Bid Submissions and Compliance with Dispatch Instructions

Topic	**Feedback**
What does the process look like to assess capability and submit a bid according to this capability in day ahead?	Voltus tracks outages in its portfolio and makes updates to its Day-Ahead bids when notice is received from sites that they are unable to respond for a set period of time.
How does this process differ when an activation notice is received day-of?	Voltus regularly invests in its capabilities to assess real-time energy delivery from its HDR portfolio. We have a software solution in place to calculate this on an hourly basis based on all information available at the time. This means that the In-Day Adjustment is only 50% complete by the time we update bids as the software process on our end runs at PD-2.5 and bids are updated by PD-2.
What is the typical timeline for this assessment of capability to occur? 1-2 hours or more?	See above
How far in advance can this capability be firmed up?	Because of the IDA mechanism inherent in the energy baseline, true capability is only

	known at PD-1. This is a major barrier to accurate bids. Our current processes maximize our understanding of in-day availability based on observed conditions prior to the close of the Mandatory Window.

High-level Design: Emergency Activation Charge

Topic	Feedback
Do stakeholders have feedback on the proposed design of the emergency activation charge?	Voltus has three points on the design. 1. Over-performance should be compensated. The charge penalizes every MW delivered short of the activation amount, but a resource that delivers more than the activation amount is not paid for the additional MW. The charge should be paired with compensation for delivery above the activation amount, at least up to the capacity obligation. There is a case for compensating delivery above the obligation as well, **since that energy is delivered to the system.** Performance-based capacity constructs elsewhere treat delivery symmetrically. PJM's Capacity Performance and ISO-NE's Pay-for-Performance both pay resources for delivery above their commitment during performance events, rather than only charging for shortfalls. 2. The adjusted baseline must be known before the mandatory window closes to ensure that capability can be properly assessed. The current baseline methodology includes an in-day adjustment that concludes at PD-1, and bid updates are due at PD-2, this means that HDR Resources are assessing their Real-Time capability with insufficient information at

	PD-2.5 (a time buffer must be provided to ensure bid updates can be submitted and verified in EMI). Voltus currently assesses and updates its Real-Time capability based on its forecast of capabilities at PD-2.5, but underperformance can still be caused from baseline movement. To fix this issue, the in-day adjustment window should end three hours before the activation start (PD-3), so that aggregators know their adjusted baseline before the mandatory window closes. The length of the adjustment window could be shortened to 2 hours if needed, or remain at the current 3 hour length. This change must be made before, or together with, the Emergency Activation Charge, rather than left to a future enhancement cycle. 3. Treatment relative to generators. As currently structured, this charge would treat an HDR resource differently from a generator that does not follow its dispatch instruction. To align these and the Emergency Energy Payment structure, we believe that the penalty must be assessed based on the Zonal Real-Time Energy Price for the resource.
Does the charge appropriately address the misaligned settlement incentives stakeholders pointed out in previous feedback submissions?	The charge raises the cost of leaving a bid at the obligation while expecting to deliver less, which addresses one of the misalignments stakeholders identified. However, two misalignments remain: - A resource can only bid to its capability if it knows its baseline before the mandatory window closes, and today it does not.

	- And the charge is one-sided: under-delivery is penalized while delivery above the activation amount is not compensated. We encourage the IESO to address all three of these items with this rule as it will drive the right behaviours in the Energy market ahead of each activation window.
Is there potential for any unintended participant behaviour to arise from this proposed enhancement?	Yes. The Emergency Activation Charge encourages conservative bidding. The charge is the shortfall against the activation amount, which follows the final bid, multiplied by the bid price of $1,999/MWh or more. The availability charge for bidding below the obligation is far smaller: the hourly share of the capacity clearing price, multiplied by the non-performance factor, or $143/MWh in the IESO's example. Over the past five years, clearing prices of roughly $60 to $800/MW-day translate to about $7 to $160/MWh before the non-performance factor, and $13 to $320/MWh with a factor of 2. A MW short costs 6 to 150 times more than a MW bid low. With the baseline not set until after the mandatory window closes, a resource that cannot know its delivery to the MW will bid below its expected delivery to limit its exposure, and the IESO will see less capacity bid than the fleet can deliver. With no compensation for MW delivered above the activation amount, that resource has no reason to deliver the MW it held back, even when the system needs it.

	Because the baseline is not known before the mandatory window closes, part of the charge will fall on baseline movement rather than on the resource's behaviour. Ending the in-day adjustment window three hours before the activation start would address this.

General Comments/Feedback

Voltus developed this feedback with other demand response aggregators in the DR Coalition. The positions above are those shared among its members. Voltus may submit comments on other items separately.

In summary: (1) Voltus supports adopting the one-month capacity test window; (2) shifting the in-day adjustment window so that it ends three hours before the activation start; (3) pairing the Emergency Activation Charge with compensation for delivery above the activation amount; and (4) ensuring the charge treats HDR resources no less favourably than generators facing the same shortfall (penalty assessed at the Real-Time Zonal Price).