

# Feedback Form

## Capacity Auction Enhancements – March 21, 2024

### Feedback Provided by:

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Date: April 4, 2024

To promote transparency, feedback submitted will be posted on the [Capacity Auction Enhancements](#) web page unless otherwise requested by the sender. If you wish to provide confidential feedback, please mark as “confidential”.

Following the March 21, 2024, engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback on items discussed. The webinar presentation and recording can be accessed from the [engagement webpage](#).

**Please submit feedback to [engagement@ieso.ca](mailto:engagement@ieso.ca) by April 4, 2024.**

## Market Manual and Market Rule Updates

Topic	Stakeholder Feedback
Do you have any comments regarding the presented Market Manual administrative updates?	
Do you have any comments regarding the proposed correction to update the cleared ICAP calculation in Market Rule Ch. 7 to incorporate the PAF?	

## 2024 Enhancements

Topic	Response
Do you have any comments regarding the prioritized 2024 enhancements? i.e.;	
1. Reference Price Review; 2. HDR Standby Price Trigger Review; 3. Virtual Zonal Limits Review.	
Do you have any comments regarding the timing of the 2024 enhancements?	

## 2025 Enhancements

Question	Response
Do you have any comments regarding the prioritization of the 2025 enhancements?	<p>Evolugen by Brookfield Renewable appreciates the opportunity to provide comments.</p> <p>Re: Updates to Dispatch Testing Methodology</p> <ul style="list-style-type: none"><li>- We support reducing the number of dispatch tests, and allowing greater flexibility in the scheduling of said tests.</li></ul> <p>Re: Comprehensive Demand Curve Review</p>

Question	Response
	<ul style="list-style-type: none"> <li>- We welcome this engagement and would like to participate in the process.</li> </ul> <p>Re: Review of Commitment Management Options</p> <ul style="list-style-type: none"> <li>- We continue to advocate for short-term obligation buy-outs and the introduction of a rebalancing auction. Such mechanisms are commonplace in other mature capacity auctions, and would help market participants manage unexpected changes in their business and operational circumstances. As mentioned in our previous feedback, buy-outs and rebalancing auctions would be conducted via competitive markets, and would not require administrative decisions from the IESO to reevaluate its shorter-term commitment variations.</li> </ul>
<p>Do you have any comments regarding the timing of implementation for the 2025 enhancements?</p>	

## 2026 Enhancements

Question	Response
<p>Do you have any comments regarding the prioritization of the 2026 enhancements?</p>	<p>We strongly welcome the proposal to include wind and solar resources in future capacity auction.</p> <p>Their participation would help increase auction supply and liquidity, thus future auctions would clear more MWs at a more economic price. In addition, this proposal would act as a new pathway for new and existing wind and solar assets to provide value to the IESO system. We support allowing proponents and asset owners multiple procurement pathways (e.g., LT- and MT-RFPs, and the capacity auction) to realize their greenfield, re-contracting, repowering, and refurbishment projects according to their unique business and technical preferences—this kind of flexibility would certainly help Ontario attract investment and meet its growing needs.</p>

Question	Response
	That said, we believe that existing wind and solar resources are already operational in the IESO administered market, and as such, determining their appropriate qualifying capacity factors and modifying market rules to accommodate their participation should be relatively easy. In essence, we believe that such resources can and should immediately be allowed to participate in the 2025 auction. We welcome further discussions with the IESO on this topic.
Do you have any comments regarding the timing of implementation for the 2026 enhancements?	Please see comment above regarding wind and solar assets.

## Other Enhancements

Question	Response
<p>Do you have any comments or new information you would like to share with the IESO regarding the enhancements that are not currently being considered? i.e.;</p> <ol style="list-style-type: none"> <li>1. Accommodating short-term obligation buy-outs;</li> <li>2. Introducing a rebalancing auction;</li> <li>3. Including avoided line losses credit in HDR capacity qualification.</li> </ol>	Please see comment above: we support accommodating short-term obligation buy-outs and introducing a rebalancing auction. Such mechanisms rely on market signals to reshuffle short-term variations, and would not require administrative decisions by the IESO.

## General Comments/Feedback

As suggested in our December 2023 and October 2023 comments, we recommend the IESO to align how internal generators and external generators are treated in their capacity qualification process in its market manual. We would appreciate an opportunity to meet with the IESO team to clarify our proposal.