

Stakeholder Feedback and IESO Response

Capacity Auction Enhancements

Following the Capacity Auction Enhancements webinar on April 8, 2025, the Independent Electricity System Operator (IESO) invited stakeholders to provide comments and feedback on the materials presented.

The presentation materials and stakeholder feedback submissions have been posted on the IESO [Capacity Auction engagement webpage](#). Please reference the material for specific feedback as the information below provides excerpts and/or a summary only.

Proposed Amendments to Market Rules and Market Manuals

Feedback	IESO Response
One stakeholder expressed support for amendments related to testing procedures for System-backed Imports (SBI) and enabling the Beauharnois inertia.	Thank you for supporting the 2025 Capacity Auction enhancements.

Revised Timeline for 2025 Enhancements

Feedback	IESO Response
Stakeholders support increasing the buyout charge and physical-to-virtual obligation transfers.	Thank you for supporting the 2025 Capacity Auction enhancements.
Stakeholders advocated for the inclusion of in-period obligation transfers as an alternative to buyouts and to improve market efficiency.	Thank you for feedback related to in-period obligation transfers. Enabling in-period obligation transfers will require additional time and

	consideration, and as such the IESO will continue discussions with stakeholders later in 2025.
Stakeholders were most concerned about the delayed implementation of an enhanced tie-break mechanism and requested that an interim solution or manual workaround be used for the 2025 auction. Stakeholders said that the current tie-break methodology is inadequate and a barrier to participation that may cause some resources to exit the market.	Thank you for the detailed feedback. The IESO understands that the tie-break enhancement is a priority for stakeholders and is currently taking this feedback into consideration.
A stakeholder said that increasing virtual zonal limits in the West and Northwest zones could attract new resources and should be explored ahead of the 2026 auction.	<p>The IESO understands that raising virtual zonal limits is a stakeholder priority.</p> <p>The IESO is considering a possible long-term VZL solution. The IESO will bring updates to stakeholders when they become available.</p>

Expanding participation to variable generation (VG) resources

Feedback	IESO Response
One stakeholder agreed that the proposed mechanism for ICAP verification of VG resources aligns with how other resources are tested. This stakeholder believes that capacity should be qualified/tested based on what a resource can deliver during times of system need, instead of under ambient conditions.	<p>The capacity auction procures a six-month obligation, and it is under a participant's discretion to determine what MW amount can be offered to meet that requirement. The capacity test was designed to confirm a resource's ability to deliver to its installed capacity (ICAP), with the expectation that the ICAP confirmed can be delivered throughout the entire six-month period.</p> <p>As discussed in previous engagements, the IESO is interested in investigating ways to incentivize more accurate, reliable resource performance. The IESO will begin engagement on future enhancements later in 2025.</p>

HDR Standby Notice Price Trigger

Feedback	IESO Response
One stakeholder expressed concern that the current standby notice price trigger will be too low for the prevailing market conditions in the 2026-27 period. The stakeholder asked the IESO to provide additional details on the status of its investigation.	The IESO will continue to monitor market conditions and any impacts. Once available, locational marginal price data will be analyzed, and any recommended changes will be brought to stakeholders for feedback.

General Comments/Feedback

No general comments/feedback were received.