

Feedback Form

Capacity Auction Enhancements – January 29, 2026

Feedback Provided by:

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Date: Feb 12, 2026

Following the January 29, 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 January 29, 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 February 12, 2026, to engagement@ieso.ca. Please use subject: *Feedback: Capacity Auction Enhancements.*

Proposed HDR Objective Statement

Topic	Feedback
Do you have any comments or suggestions regarding the proposed HDR Objective Statement?	The statement should also include the objective of more appropriately activating HDR for reliability reasons. The new world of 'economic' activations that are based on pre-dispatch prices was not discussed as part of MRP and sees HDR activated for economic reasons which is not the intent and is a function of the design related to bidding rules.

2025 Market Observations

Topic	Feedback
<p>Have we captured all market observations/concerns that have impacted Capacity Auction hourly demand response resource participation in the renewed market since May 1, 2025?</p>	<p>The change to activation quantities (i.e partials) and the 'economic' activations should be categorized as unintended consequences of MRP and treated accordingly.</p> <p>First, the intention of HDR was not partial activations and does not align with market rules related to provision of measurement data for all contributors in any zone that is activated.</p> <p>Second, HDR is solely a reliability product and is clearly offered in that manner when the bid is \$2,000 (or \$1,999.99). The 'economic' activations that are now occurring were not intended as part of the market design surrounding HDR.</p> <p>If either or both of these occurrences were anticipated then they should have been stakeholdered with the aggregator community during MRP planning. They were not and simply because the existing market rules allow for both of the above situations does not make it consistent with the intent. The go forward actions should not begin from the starting place of what is happening today or the 'new norm', rather, the go forward actions should be based on what the intentions were when designed and if market rules allow for unintended actions then the IESO should immediately stop these actions and commence engagement with stakeholders in achieving the objective statement(s) from that starting place.</p>

Topic	Feedback
	<p>The market observation figures for summer 2025 HDR performance present a result that is not fully reflective of the contribution to system reliability from the HDR resources since there were many activation on ICI peak days which resulted in lowered baselines from in-day adjustments, and the frequency of potential peak days in the summer meant HDR contributors were curtailing more often than normal. We are not criticizing the formula for HDR baselines rather just want to ensure there is clarity that the actual benefit to the power system of what these contributors/clients consumed rather than what they would have normally consumed is larger than what gets depicted employing the existing baselines. Also, detailing the quantity if capped at the activation amount seems unnecessary since the power system benefited from the full 12,153MWs of curtailment. In fact, this would mean that Ontarians benefited from 1,451MWs of HDR curtailment that was not compensated (nor incented) through existing design.</p>
	<p>The market observations would benefit from statistics on how often HDR was put on standby, comparing this past year to other years.</p> <p>Last, regarding the recent capacity auction, the deployment of the new tie-breaker rule for the recent auction resulted in an outcome that reflects better design, and the auction proved successful in securing necessary capacity for Ontario.</p>

General Comments/Feedback

While our comments reflect some frustrations with the current state of HDR design and operations, we appreciate the opportunity to participate in the stakeholdering and would like to thank the

Capacity Auction team for their responsiveness and knowledge when we do contact them either through emails or phone calls.