

# Market Development Advisory Group – Feedback Form

Meeting Date: April 2, 2020

<b><u>Date Submitted:</u></b> <i>2020/04/27</i>	<b><u>Feedback Provided By:</u></b> Organization: Capital Power Corporation (“CPC”)
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Following the April 2, 2020 Market Development Advisory Group (MDAG) webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the following items discussed during the meeting. The presentation, which contains the information related to these feedback requests, can be accessed from the [engagement web page](#).

**Please submit feedback to [engagement@ieso.ca](mailto:engagement@ieso.ca) by April 27, 2020. If you wish to provide confidential feedback, please submit as a separate document, marked “Confidential”.** Otherwise, to promote transparency, feedback that is not marked “Confidential” will be posted on the engagement webpage.

## Stakeholder Feedback Table

Feedback Topic	Requests	Stakeholder Feedback
<b>Expanding Participation in Operating Reserve and Energy (EPOR-E)</b>	Is our current focus of generator/load with behind-the-meter storage solutions consistent with stakeholder expectations of what “hybrid participation” consists of?	<p><b>Participation requirements for hybrid and other new configurations or technologies must be developed to meet the same standards as existing resources</b></p> <p>Capital Power takes no issue with the IESO’s high-level description of “hybrid participation” at this time so long as market participants are provided the ability to configure such sites in a manner that best suits the circumstances of the facility. However, any market participation requirements developed to integrate these resources or configurations must be done carefully so no unfair advantages are created. They must require these facilities to meet equivalent eligibility criteria, operating standards and market practices to those in place for all other existing resources.</p>
	Do stakeholders have experience with hybrid participation in other jurisdictions? If so, are there any learnings we should be considering from other system operators?	
	Are the requirements to participate in energy and operating reserve (“OR”) clear and understandable?	<p><b>Rule clarity is important, legislative compliance is necessary</b></p> <p>Regardless of whether the participation requirements are clear and understandable, Capital Power submits that they must be designed in accordance with the purposes of Ontario’s <i>Electricity Act</i>. Such requirements must, among other things, ensure the reliable and efficient operation of the IESO-administered markets as well as facilitate a financially viable electricity industry. This includes setting out requirements that afford market participants a reasonable ability to manage participation risk given that energy and OR offers will continue to be co-optimized in the face of significant design changes resulting from the Market Renewal Program (“MRP”).</p> <p><b>EPOR-E should be considered within MRP</b></p> <p>The EPOR-E initiative was identified by the IESO as being interrelated with other projects including MRP. Capital Power agrees. Many of the same design considerations, implementation work and potential tool changes likely to be considered by MDAG will similarly be considered as part of MRP. The IESO also noted during the webinar that it intends on implementing potential EPOR-E changes in the 2021-2022 timeframe.</p>

		Given the direct interrelatedness of EPOR-E with the work currently being done in MRP and the IESO's plan to implement both initiatives in or around the same timeframe, it's unclear why these initiatives cannot be combined. The IESO should, therefore, move the EPOR-E related activities into MRP as opposed to advancing the initiative independently within MDAG. Not only is MRP is better suited to undertake this work but doing so would ensure design consistency and avoid any unnecessary or duplicative efforts.
	Based on the models and opportunities presented, is it clear what could be limiting a resource from participating?	<p><b>More clarity is required regarding the purpose of the EPOR-E initiative</b></p> <p>No. Though the IESO's presentation and webinar provide a good overview of the existing participation requirements, further clarity is needed.</p> <p>To date, the IESO identifies two drivers for the need of the EPOR-E initiative: 1) expanding competition; and 2) increasing grid flexibility. Capital Power understands that assessing the participation requirements for misalignment or opportunities could assist in reducing barriers to competition and increase participation. However, it's unclear how this will necessarily add to increased grid flexibility as none of the existing OR products are specifically designed for this purpose.</p> <p>Regardless of whether this work is done within MDAG or vis-à-vis MRP, Capital Power recommends that the IESO provide additional detail regarding how it intends on increasing flexibility through the EPOR-E initiative. This would focus efforts during the review phase as well as ensure that any potential options being considered are aligned with MRP-related energy design details currently being developed by the IESO.</p>
	Based on the information that was presented, are your resources or a subset of your resources capable of meeting our current requirements?	
	Have you come across similar issues for participation in other markets?	
	Are you interested in participating in an individual teleconference with the IESO to discuss any participation issues for the resource types identified?	
<b>Transmission Rights Clearing Account</b>	Please provide feedback on the revised disbursement methodology proposal here.	Capital Power has no comments at this time other than to encourage the IESO to advance the TRCA methodology such that the solution is designed in accordance with applicable ratemaking principles and legislative requirements.

<b>(TRCA) Disbursement Methodology</b>		
<b>Transmission Rights Market Review</b>	Please provide any feedback on the engagement approach here.	Capital Power has no comments at this time other than to encourage the IESO to consider the design of the future transmission rights market in the context of MRP and that it ensure fair and open competition on the intertie.
	Is the proposed scope appropriate?	
	Does the sequencing of stages make sense or should MRP changes be prioritized?	
	Are the timelines realistic?	
	What stakeholder constituents would be most interested in participating in the review?	
	How often would MDAG like to be engaged?	
	What level of involvement would MDAG like to play?	
	What do MDAG members believe is the purpose of the TR market?	
<p><b>General Comments:</b></p> <p><b>EPOR-E initiative should be delayed until stakeholder engagement priorities are established</b></p> <p>Capital Power understands that the IESO is looking to prioritize its stakeholder engagement streams to focus on design activities of critical importance to the market and market participants. To this end, Capital Power recommends that the IESO suspend the EPOR-E initiative until the future of critical priority stakeholder engagements such as the Resource Adequacy initiative and the IESO’s Planning Outlook have been addressed. This will assist in ensuring that relevant market design streams do not work at cross purposes.</p>		