

Stakeholder Feedback Form: MRP Energy Detailed Design

Design Document: Market Power Mitigation

Date Submitted: 2020/08/10

Feedback Due: July 24, 2020

Feedback provided by:

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The IESO is posting a series of detailed design documents which together comprise the detailed design of the MRP energy stream.

This design document is posted to the following engagement webpage: <http://ieso.ca/en/Market-Renewal/Energy-Stream-Designs/Detailed-Design>.

Stakeholder feedback for this design document is due on July 24, 2020 to engagement@ieso.ca.

Please let us know if you have any questions.

IESO Engagement

Section 2 Summary of Current and Future State

Detailed Comments

In section 2.2 it states the following “The IESO’s review for market power mitigation, including testing and any related step taken by the IESO, will not constitute a review for compliance with any market rule, including Chapter 1, Section 10A – General Conduct or Section 11 – Information Disclosure.”

Question: What information will participants be able to rely on to know whether MACD has initiated an investigation or whether they view the actions by participants to be serious enough to justify a further investigation? Does the IESO plan on issuing any new guidance on how these types of instances will be dealt with by MACD? Has the IESO set a statute of limitations for its Enforcement Group (i.e. MACD) to notify participants whether any actions are being investigated as part of a potential compliance infraction?

In section 2.2.6 it states the following “The methodology to determine the reference quantity for energy will be consistent with that used in the Reliability Outlook to assess resource contributions to reliability. These reference quantities can be modified by active outages, de-ratings, external factors such as ambient temperature, humidity, water flow conditions and other resource specific considerations.

Question: In the stakeholder engagements the IESO suggested that participants should not only ensure their energy offers reflect their true capability, but that the IESO expected resources to update their availability by way of derates every single hour if the capability of the resources changes. Can the IESO confirm whether its their expectation that every single resource should be updating their true capability by submitting derate slips for each resource every hour where ambient conditions affecting natural gas generators or head impact the capability of a hydroelectric resources impact output?

Also, can the IESO clarify the methodology of what “will be consistent with that used in the Reliability Outlook to assess resource contributions to reliability” means? What exactly is the methodology that is applied today? Given that resources currently do not submit derate slips on an hourly basis to reflect ambient conditions, then is it fair to say that whatever the IESO has been receiving up to this point and maintaining its reliability assessment has sufficed and going forward the IESO isn’t seeking for anything in addition to the methodologies that have been in place since market open?