




Resource Adequacy webinar – January 26, 2021

Feedback Provided by:

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Following the January 26, 2021 engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the following items discussed during the webinar. Background information related to these feedback requests can be found in the presentation, which can be accessed from the [engagement web page](#).

Please submit feedback to engagement@ieso.ca by February 17, 2021. 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.

Feedback Requested

Topic	Feedback
<p>Does the proposed process to set acquisition targets and select competitive mechanisms align with stakeholder needs?</p>	<p>Voltus echoes comments from the Market Surveillance Panel around the potential lack of transparency and competition in the mechanisms being proposed. The IESO must ensure that stakeholder feedback and input is sought as it develops AARs and selects procurement mechanisms.</p>
<p>Is there any additional information that the IESO should consider including in the Annual Acquisition Report (AAR) to help participants make investment decisions?</p>	<p>Given that most system operators over procure capacity resources as procurement timelines increase, how will the IESO be modelling demand forecast uncertainty as it develops medium and long-term procurement targets?</p>
<p>Are there any concerns with the proposed Capacity Auction enhancements?</p>	<ul style="list-style-type: none"> - What is the IESO’s definition of the Minimum Capacity Floor and how will it relate to the auction demand curve? - Voltus would like to encourage the IESO to also consider the following enhancements: <ol style="list-style-type: none"> 1) Enabling participation for non-dispatchable generators. Voltus has recently encountered the inability for non-dispatchable bi-directional facilities to participate in the Capacity Auction. These resources are being excluded from both Physical and Virtual Participation and Voltus would like to see their participation enabled in future capacity markets. Can the IESO speak to what is currently preventing participation? 2) Enabling registration and management of physical demand response resources by aggregators. Most markets in which Voltus operates allow for loads of all sizes and types to be registered and offered into the market by a third-party aggregator. However, the IESO introduced a requirement last Summer to require any physical demand response resource to be registered by the resource owner. Where loads are in virtually constrained regions, this requirement

places an unfair bureaucratic and economic burden on site operators and makes it substantially more difficult for aggregators to assist in the registration processes. This burden requires physical loads to hire additional personnel to manage their registrations, invest in software infrastructure, etc; and represents a higher barrier to entry than their virtual counterparts. Moreover, it dramatically increases lead-time for market entry for these resources as they are unable to be allocated capacity from aggregators and must wait until the next auction to participate..

Voltus would like the IESO to consider enabling the registration and management of physical demand responses resources by aggregations for the 2022 Auction to ensure that all Physical demand response resources can actively participate in providing the IESO with low-cost capacity. Addressing this issue may require the development of dispatchable demand response resources located at the same physical node that contain the demand response characteristics of the non-dispatchable load. Voltus believes that this approach could also be used to enable resources of this type in the energy and operating reserves markets.

General Comments/Feedback

Voltus would like to thank the IESO for its on-going engagement on Resource Adequacy and the development of the Capacity Market in Ontario. Voltus is a leading provider of Demand Response (DR) in North America, having enabled more than 10 GWs of DR in MISO, SPP, CAISO, AESO, IESO, ISO-NE, PJM and ERCOT. We are generally supportive of the IESOs work to further enable DR resources to provide additional services in the IESO Administered Markets (IAMs) and continue to await further indication on next steps from the IESO's work plan announced in the EPOR-E report.