

# Feedback Form

## Resource Adequacy webinar – March 22, 2021

### Feedback Provided by:

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Date: April 14<sup>th</sup>, 2021

Following the March 22, 2021 Resource Adequacy engagement webinar, the Independent Electricity System Operator (IESO) is welcoming feedback from stakeholders on the items discussed during the webinar. The webinar presentation and recording can be accessed from the [engagement web page](#).

**Please submit feedback to [engagement@ieso.ca](mailto:engagement@ieso.ca) by April 14, 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.

## General Comments/Feedback

Advanced Energy Management Alliance (AEMA), appreciates the opportunity to provide comments on the updated Resource Adequacy consultation that took place on March 22<sup>nd</sup>, 2021.

AEMA supports the use of competitive mechanisms to procure supply in the province of Ontario. Competitive mechanisms will ensure a reliable, efficient and cost-effective supply in Ontario.

AEMA supports the publication of the Annual Acquisition Report (AAR) as a transparent way to deploy the acquisition mechanisms to meet the emerging needs. However, what the mechanisms will be and how will work together needs further explanation, transparency and stakeholder engagement.

As outlined on Slide 19 of the Resource Adequacy presentation, only a mid-term RFP is discussed and is now labeled to "provide competitive opportunity for resources coming off contract". In the Resource Adequacy (RA) Framework that was presented to stakeholders and apparently went to the IESO Board in December, the mid-term framework was either an 'enhanced capacity auction or an RFP'. The eligibility requirements were to be determined, and were to be stakeholdered during the RA consultation. The IESO should be clear that the decision to move to a RFP for the mid-term option is due to the timelines required to meet the 'mid-term' needs occurring in the latter part of the decade, but that a Capacity Auction with a longer term than 1 year is still an option to be developed by the IESO.

As noted above, the deck also now references that the mid-term RFP will "provide competitive opportunity for resources coming off contract". Does this mean that a determination has been made that only generators coming off contract will be able to participate in a mid-term RFP, and not new resources, or other types of resources that would prefer to participate in the Ontario electricity sector under a contract versus a year over year competitive mechanism? As noted in previous comments filed by AEMA, a lack of stability in the competitive procurement of the demand response resource and the procurement options available to that resource has hit many road blocks over the past decade (the stoppage of the OPA DR3 program; the lack of MW for the 2021/2022 winter period; barriers to participation in Operating Reserves; lack of energy payments). The ability to participate in a 3-5 year procurement may make sense for resources/individual market participants based on their risk profiles, similar to those expressing current concern with the mid-term procurement mechanism of a capacity auction. The demand response resource is changing as investment in processes and behind the meter assets are installed to drive energy management and flexibility. This question of eligibility should remain a part of the Resource Adequacy mid-term RFP engagement.

AEMA appreciates the information provided in the second presentation under the Resource Adequacy framework, "Forecasting Uncertainties". As summed up by IESO staff, it will be important to understand the needs of the latter part of the decade and therefore the forecast, before implementing what the long-term procurement mechanism is, and if needed at all.

AEMA is a North American trade association whose members include distributed energy resources ("DER"), demand response ("DR"), and advanced energy management service and technology providers, as well as some of Ontario's largest consumer resources, who support advanced energy management solutions due to the electricity cost savings those solutions provide to their businesses. These comments represent the views of AEMA as an organization, not any individual company.