

Feedback Form

Resource Adequacy webinar – March 22, 2021

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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 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

The Ontario Energy Association appreciates the opportunity to provide feedback on this important stakeholder initiative.

The Ontario Energy Association (OEA) is the credible and trusted voice of the energy sector. We earn our reputation by being an integral and influential part of energy policy development and decision making in Ontario. We represent Ontario's energy leaders that span the full diversity of the energy industry. OEA takes a grassroots approach to policy development by combining thorough evidence based research with executive interviews and member polling. This unique approach ensures our policies are not only grounded in rigorous research, but represent the views of the majority of our members. This sound policy foundation allows us to advocate directly with government decision makers to tackle issues of strategic importance to our members.

OEA members support the continued advancement of the Resource Adequacy Framework. As Ontario's future capacity needs crystalize, OEA's diverse members must consider possible investment decisions relating to potential resources they may offer to meet system needs. Some potential investment decisions require longer planning time horizons than others. The efforts the IESO is making to keep the Resource Adequacy consultation moving apace are greatly appreciated.

The IESO's March 22nd stakeholder engagement laid out a path to expand the Capacity Auction (CA) to permit broader participation with a goal of achieving greater commitments than the most recent DR Auction and CA (up to 2x). The OEA views this as a positive step. An enhanced CA utilizing UCAP for all resources has the potential to provide capacity well beyond 2,000 MW as the most recent CA had a target capacity of 700 MW with over 2,500 MW qualified with a cleared capacity of 992.1 MW at a price of \$197.58 that was well below the \$413 reference price. Expanding participation to include uprates, resource-backed imports and hybrid assets will only increase competition and drive further benefits for Ontario consumers.

It is recognized the RA April meeting agenda will discuss the interactions of the various competitive acquisition processes, the OEA would like to emphasize that for the enhanced CA working with the proposed Mid-term RFP to efficiently and cost effectively meet both short and mid-term capacity needs, the interaction between the two should be clearly defined prior to the 2021 CA. Market participants require this knowledge to better understand how their assets will compete in the evolving RA framework and where to invest their time and money.

The OEA would also recommend the proposed mid-term RFP be an interim solution open to all resources with an objective to have both short and mid-term capacity requirements met through an expanded Capacity Auction that includes multi-year commitment. It may be difficult to achieve this objective within the first iteration of the RA Framework but constant review of the CA results and resource performance may reduce the requirement for mid-term capacity obligations.

Finally, the OEA would like to see further progress made in defining the parameters of the short-, mid- and long-term competitive structures, so investors can better understand how and when different resources will be able to participate going forward. Providing clarity on the time frames and notice periods anticipated for short-term, mid-term and long-term commitments under the framework is required as different resources have different planning horizons. Resources with longer planning horizons need to know how much notice they will get to prepare a proposal. Finally, consultation

should begin as soon as possible on eligibility parameters for each of the short-, mid- and long-term acquisition tools.

The OEA looks forward to continued participation in this important initiative that will produce a cost effective efficient capacity acquisition process in all timeframes.