

Feedback Form

Resource Adequacy webinar – April 22, 2021

Feedback Provided by:

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Following the April 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 May 13, 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 on draft market rule and manual amendments for 2021 Capacity Auction administrative enhancements

Draft Market Rule and Manual / Section	Feedback
Market manual (MM) 12 / Section (S) 3.2	It is not clear whether this change is intended to prevent third-party agents or affiliates from acting on behalf of the capacity auction participant once a capacity obligation has been secured. Capital Power believes that changes to IESO Market Manuals should not limit otherwise acceptable affiliate relationships, nor should they prevent otherwise permissible third-party agency arrangements undertaken by the business owner. The IESO should confirm that the intent of the proposed change is not to prevent such affiliate and/or agency relationships.
MM 12 / S 4.1	Capital Power has no comments regarding this issue at this time.
.MM 12 / S 5.2	Please see comments relating to MM 12 (S) 3.2.
MM 12 / S 5.3.3	Capital Power has no comments regarding this issue at this time.
MM 12 / S 6	Capital Power has no comments regarding this issue at this time.
MM 12 / S 8	Capital Power has no comments regarding this issue at this time.
MM 5.5 / 1.6.26.3.5	Capital Power has no comments regarding this issue at this time.
Market rule (MR) Ch. 2 / S 1.2.2.6	Capital Power has no comments regarding this issue at this time.
MR Ch. 11	Capital Power supports the amendment clarifying that participants cannot use committed MWs to satisfy a capacity obligation.
MR Ch. 7 / S. 18.4.4	Capital Power has no comments regarding this issue at this time.
General comments/feedback	Capital Power generally supports the amendments proposed. However, as noted in the response to sec. 3.2 above, Capital Power is concerned that the effect and purpose of certain proposed revisions may needlessly limit arrangements with

Draft Market Rule and Manual / Section	Feedback
	<p>entities that may act as capacity auction participants and capacity market participants. Market Rules and Market Manuals should facilitate commercial and otherwise acceptable corporate structures, arrangements, and agency relationships. This facilitates both competition and efficiency.</p>

Draft scope for hourly demand response (HDR) baseline methodology review

Topic	Feedback
<p><u>Data</u> Is the proposed source data appropriate? Is the analysis timeframe appropriate?</p>	<p>Capital Power has no comments regarding this issue at this time.</p>
<p><u>Suitable Business Days</u> Is the proposed method for choosing proxy event days appropriate? Should additional types of days be excluded from the set of proxy event days?</p>	<p>Capital Power has no comments regarding this issue at this time.</p>
<p><u>Baselines</u> Are there additional baselines that should be evaluated? Do stakeholders support the exclusion of regression-based baselines?</p>	<p>Capital Power has no comments regarding this issue at this time.</p>
<p><u>Performance Assessment</u> Are the proposed evaluation principles of accuracy, integrity, and simplicity appropriate? Are the proposed statistical performance metrics to assess baseline accuracy appropriate?</p>	<p>Capital Power has no comments regarding this issue at this time.</p>
<p>General comments/feedback</p>	<p>Capital Power supports the IESO's efforts to ensure that the rules require HDR baselines to reflect a resource's actual baseline consumption. This is important to support a level playing field between HDR resources and generation, and to enable greater efficiency and effectiveness of market operations.</p>

General Comments / Feedback

Capital Power appreciates the IESO's update to stakeholders regarding its plans for the short-term and mid-term capacity acquisition tools. It is understood that the IESO's April presentation was intended to provide high level context for the IESO's plans to utilize both a short-term capacity auction and mid-term capacity contracts to acquire capacity needed before the end of the decade.

Capital Power appreciates and supports the IESO's recently confirmed intention to utilize competitive RFPs for the procurement of mid-term and long-term capacity needs. Nevertheless, Capital Power also shares the concerns raised by other stakeholders at the April stakeholder meeting that identified the ongoing disconnect between the IESO's plans for its energy market and its proposed capacity acquisition tools, and the resulting impediment this creates for an effective investment signal. It appears to be well understood by the IESO that participants will assess investment opportunities based on a combination of expected revenues for capacity and energy. It also appears to be well understood that offers into the capacity market (and therefore capacity market prices) will be informed by expected opportunities in the energy market. The IESO has also stated that they would like to see an energy component in the mid-term capacity contract. From the detail provided, it is not clear what structure the IESO is considering for the mid-term contracts, how payments for energy will be structured, and what effect the contemplated contract design will have on energy market pricing and performance. Capital Power believes these are issues of fundamental importance to all stakeholders and looks forward to the IESO providing future opportunities for constructive discussion and feedback.