

Feedback Form

Resource Adequacy – August 26, 2021

Feedback Provided by:

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Date: September 17, 2021

To promote transparency, feedback submitted will be posted on the Resource Adequacy webpage unless otherwise requested by the sender.

Following the August 26, 2021 Resource Adequacy webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the following discussed items. 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 September 17, 2021. If you wish to provide confidential feedback, please mark the document "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

Capacity Auction – Review of Performance Obligations and Assessment Framework Recommendations

Topic	Feedback
What questions or feedback do you have on Proposed Change #1 – Test to Capability for All Resources	
What questions or feedback do you have on Proposed Change #2 – Changes to Thresholds	OPG agrees with the spirit of working to “level the playing field”, but recommends that thresholds be defined based on the IESO’s system needs. If the current 20% threshold for HDRs is acceptable from a system reliability/adequacy perspective, and the new 10% threshold is only being proposed to align HDRs with other resource types, perhaps the fairer solution is to increase the thresholds of other resource types to 20% instead. If the IESO believes a 20% threshold will cause issues with system reliability/adequacy, please explain.

Topic	Feedback
<p>What questions or feedback do you have on Proposed Change #3 – Future De-Rates</p>	<p>a) The proposed de-rating framework does not afford any opportunity to up-rate a resource’s ICAP value back to the initial value computed before the de-rate. OPG feels this approach could unnecessarily limit ICAP values for resources that might later be capable of higher obligations. As the capacity auction is a relatively new process, inexperienced participants may make operational errors causing future de-rates. According to the proposal, these de-rates would persist, even though the resource might be able to achieve the higher ICAP in future auctions. Please outline the steps a resource could take to reset its de-rated capacity back to the initial value.</p> <p>b) Slide 21 outlines that resources can fail a capacity check test by delivering 5% less energy than their ICAP value (10% for HDRs). In the example provided, a resource with a 100 MW ICAP fails its capacity check test in year 1 by injecting 94 MW. Slide 22 of the deck then identifies that the resource’s new ICAP value for year 2 is 94 MW. Would the capacity check tests in year 2 assess the resource against the 94 MW ICAP or the original 100 MW ICAP? Additionally, which ICAP value will the year 2 capacity check tests’ 5% (10% for HDRs) threshold be based on (i.e., will the resource be required to deliver 89.0 MW or 89.3 MW)?</p>
<p>What questions or feedback do you have on Proposed Change #4 – Common Notification</p>	<p>OPG has no comments on Proposed Change #4 at this time.</p>
<p>What questions or feedback do you have on Proposed Change #5 – Incenting Performance at the Right Time</p>	<p>Click or tap here to enter text.</p>

Topic	Feedback
<p>What questions or feedback do you have on Proposed Change #6 – Availability Assessment True-Up</p>	<p>Please explain the rationale for the “true-up cap” proposed, which limits the hourly offers credited in the true-up calculation to the minimum of the ICAP value and 15% above the UCAP value.</p> <p>In order to truly reflect the average availability of the resource, OPG suggests that the cap should be symmetrical (i.e., offers less than 15% below the UCAP are not included in the calculation) or removed entirely.</p>
<p>General comments and feedback</p>	<p>OPG has no other comments on the Proposed Changes to the Capacity Auction at this time.</p>

Medium-Term RFP

Topic	Feedback
<p>What questions or feedback do you have on the Medium-Term RFP proposed design consideration on Contractual Considerations</p>	<p>Click or tap here to enter text.</p>
<p>What questions or feedback do you have on the Medium-Term RFP proposed design consideration on Resource Eligibility</p>	<p>Click or tap here to enter text.</p>
<p>What questions or feedback do you have on the Medium-Term RFP proposed design consideration on Proposal Evaluation</p>	<p>If a resource has more than 4 hours then that resource should get additional value for the extra time. The rating criteria for 4+ hours of energy should be on a sliding scale of 4, 5, and 6 hours of energy. Some assets have more than 4 hours of energy and should be compensated accordingly.</p> <p>Additionally, the IESO needs to specify the seasonal interpretation of the 4 hours. Are the hours consecutive?</p>

Topic	Feedback
<p>What questions or feedback do you have on the Medium-Term RFP proposed design consideration on Contract Expiry and Bridging</p>	<ul style="list-style-type: none"> • The bridging mechanism proposed may be problematic and not financially advantageous for a contract owner to cancel a contract early. This could occur in the circumstance where the contract owner would not be able to recoup all of it's costs in the Capacity Auction. • The situation described in the bullet above may have consequences to grid reliability if the IESO is expecting certain resources coming off contract to be available. • The IESO might review their transition bridging considerations to accommodate the generators that are critical to the reliability of the system during the contract term being contemplated.
<p>What questions or feedback do you have on the Medium-Term RFP proposed Timelines and Milestones</p>	<p>Click or tap here to enter text.</p>

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<p>What questions or feedback do you have on the Medium-Term RFP UCAP approach outlined in the presentation materials</p>	<ul style="list-style-type: none"> • The UCAP approach for Dispatchable Hydro reduces the overall capability of OPG’s dispatchable hydroelectric units by about 1000 MWs. Previously, OPG discussed with the IESO’s Planning group to include Scheduled Energy (historical generation or dispatch) plus OR offers in the dispatchable hydroelectric calculation for capacity. The current proposal for UCAP calculation reduces the capability and value of hydroelectric units. • The proposed approach for dispatchable hydroelectric decreases the capacity available to the system and increases costs for the ratepayer as the IESO would need to procure additional capacity to reach their resource adequacy requirements to maintain a reliable system. • An alternative approach would be to use offers or to use scheduled energy plus scheduled OR. This would be the optimal scenario for the ratepayer.
<p>What areas of the draft RFP and Contract do you want to see more details on in the September engagement session, ahead of the issuance of draft documents?</p>	<p>Click or tap here to enter text.</p>
<p>Do you have a resource that is eligible, or may be eligible, to participate? If so, please provide feedback specific to your resource based on the proposed design considerations. Please indicate if you would like to meet with the IESO to discuss eligibility or any other aspects of the Medium-Term RFP.</p>	<p>Click or tap here to enter text.</p>
<p>General comments and feedback</p>	<p>Click or tap here to enter text.</p>

General Comments/Feedback

Click or tap here to enter text.