

Feedback Form

Overview of 2020 Capacity Auction Results webinar – February 23, 2021

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Following the February 23, 2021 Overview of 2020 Capacity Auction Results 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 March 16, 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.

Based on Your Capacity Auction Experience:

Topic	Feedback
What worked well and what could be improved? What could be made more efficient? Are there any gaps? What learnings can be applied in Ontario from experiences in this auction and/or other capacity auctions?	Please see comments below.

General Comments/Feedback

Workbench Energy provides a service enabling capacity market participation by both virtual and physical resources. We are directly involved in the CAP registration, planning, submission of bids, CMP registration, market operations and settlements processes of Capacity Auction and Capacity Market participants, both directly and as a third-party service provider. We support HDR and dispatchable resources that offer demand response by curtailment, demand response by btm load displacement and energy storage capacity.

There are several areas in which the IESO's Capacity Auction processes could be improved for participants.

IESO Rules and Manuals

While we recognize the efforts the IESO has made to clarify point-in-time rules, there is room for improvement. It is difficult to identify which set of Rules and Manuals apply for the market operations period of a future auction. Pending changes that are in discussion in the pre-auction period may result in a new set of documents that apply to the obligation period, affecting the participation incentive. The IESO can improve its communication with respect to pending changes and their applicability timeframe, and should establish a deadline after which no significant changes to eligibility, testing parameters, penalty factors, etc. will be made.

Pre-Auction Capacity Auction Registration

Requirements for CAP registration are well documented, however, there is a gap in information from IESO around the specific contact roles and their subsequent obligations. A matrix or description of the tasks related to each of the contact roles set up in pre-auction would allow participants to streamline the allocation of resources early, preventing confusion in subsequent steps.

IESO should also make more clear the relationship between CMP owner, CMP operator, RMP and MMP for a prospective obligation to ensure that the appropriate organizations are registered in time to complete the pre-auction processes.

Post-Auction Capacity Market Registration

The contacts conundrum persists past the auction into the post-auction period. Mandatory and optional contact roles are significant in number and not well defined. Understanding the subsequent tasks and obligations for each of the IESO-defined contacts and making clear which contacts currently hold which roles for an organization would be beneficial.

The CMP registration activities could benefit from some streamlining. As a service provider, we aim to simplify the administrative tasks in both the pre- and post-auction periods. The number of tasks and assignment of those tasks to various contact types makes tracking the deliverables very difficult creating unnecessary complexity. IESO should enable participants to view the full list of required tasks, their deadlines, the person(s) to which those tasks are assigned and the status of each task. This list should be readily available and accessible consistently through the post-auction period. This will simplify the communication at the CMP side and at the IESO side.

With respect to specific CMP registration tasks, the IESO requires Prudential Support to be posted by Letter of Credit for all market participants. In some cases, CMPs have prudential obligations that are very low in value and would be easily met with cash deposits in lieu of Letters of Credit. IESO is encouraged to establish a prudential obligation minimum threshold below which cash can be used as collateral for Capacity Market Participants, and above which Letter of Credit is required.

Capacity Market Operations Readiness

To assist CMPs in preparing for participation in the real-time market, IESO needs to improve access to sandbox communications and reports. IESO does not provide prospective participants with sample communications for DR Standby or DR Activation notices, and cannot provide prospective participants with mock dispatch signals for energy or operating reserve while registration processes are ongoing. This creates the need for participants to test communications in live market conditions – a situation that has both commercial and reliability impacts.

IESO is encouraged to enhance sandbox capability such that CMPs can test communication and configure systems prior to the start of the obligation period, no less than two weeks ahead of the obligation period commencement.