

Memorandum

To: Technical Panel

From: Adam Cumming

Date: June 4, 2024

Re: MR-00482-R00 – 2024 Capacity Auction Market Rule Corrections

Market Rule Amendment MR-00477-R00 (2023 Capacity Auction Enhancements – Stream 2) introduced the Performance Adjustment Factor (PAF) into the market rules, and consolidated obligations that had previously been spread across the market rules, market manuals and the Charge Types and Equations list into Chapter 9 of the market rules.

During implementation of the enhancements, errors were identified in the market rule amendments. First, the PAF was unintentionally omitted from the cleared ICAP formula in Chapter 7. Additionally, in Chapter 9 Section 4.7J.2.1A, it was identified that the current wording could be interpreted to mean that the Capacity Auction Availability Charge only applies when a standby notice is issued for hourly demand response resources. This was not the intent and it is not consistent with the design and application of the Capacity Auction Availability Charge. This amendment seeks to clarify the language to ensure that it aligns with the design and application of the Capacity Auction Availability Charge. Additional clarifying language has also been added to Chapter 9 Section 4.7J.2.1B to specify the applicable time period for each applicable resource type.

Stakeholder Feedback

The IESO held two stakeholder engagement sessions in regard to this matter. The first session was held on March 21, 2024 and highlighted the error in the cleared ICAP formula. The second issue was identified in the Capacity Auction Availability Charge. This was raised with stakeholders in an engagement session on May 23, 2024. To ensure that all Capacity Auction

participants were aware of these issues prior to the second engagement session, the IESO sent a notice to all Capacity Auction participants highlighting these proposed corrections. No concerns have been raised by stakeholders in regard to amending the Capacity Auction market rules to make these corrections. All stakeholder engagement materials can be found on the [Capacity Auction Enhancements webpage](#).

Panel Action and Next Steps

The IESO recommends that the Technical Panel vote to post the proposed market rule amendment MR-00482-R00 for stakeholder review and comment for a period of two weeks, ending on June 27, 2023.

Accompanying Materials

- Market Rules Amendment Proposal Form - MR-00482-R00