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# Capacity Auction Enhancements – Tie Break Example

**Laura Zubyck**
**Supervisor, Capacity Auction**

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# Tie-Break Methodology Proposal

At a high level, the new tie-break methodology is completed in 3 steps:

| Step 1 | Step 2 | Step 3 |
| --- | --- | --- |
| •Divide the remaining available (tied) auction capacity by the number of auction offers involved in the tie.<br>•Round down to one decimal place and allot this equal share of auction capacity to participants (where possible).<br>•Offers can be flagged as "full" or "partial" by participants. Offers flagged "full" must be fully satisfied in step 1. | •For auction capacity remaining after Step 1, allot a proportional share to each partial offer that was not fully satisfied in Step 1. | •For auction capacity remaining after Step 2, allot by time stamp rank. |

This methodology is detailed in Design Memo 3.0 Tie Break Methodology 2025

# Constraints

- It is possible, albeit rare, that multiple constraints could be involved in a tie-break.
    - e.g., an intertie limit and a zonal limit are both reached in the same tie-break scenario, with the available capacity of one limit being lower than the other.
- In this scenario, the capacity allotted through the tie-break must respect all applicable auction constraints.
- The tie-break for the lower limit will be resolved first using the tie-break steps.
- The remaining capacity is then allotted to the rest of the tied offers associated with the higher limit using the tie-break steps.

# Multiple Constraints in Tie-Break: Example (1/4)

In this example, three offer laminations are tied in price for the final 150 MW of auction capacity available in a zone (zonal constraint). Two are import offers and one is a generator. The import offers are also subject to the intertie constraint, which is 80 MW. The table below shows the offers for each resource:

| | **Resource Type** | **Offer (MW)** | **Lamination** | **Offer Type** |
|---|---|---|---|---|
| Offer A | Import | 70.0 | 1 | Partial |
| Offer B | Import | 70.0 | 1 | Partial |
| Offer C | Generator | 120.0 | 1 | Partial |
| | **Total:** | **260.0** | | |

# Multiple Constraints in Tie-Break: Example (2/4)

**Step 1:** The remaining available (tied) auction capacity is split into equal shares and allotted to the tied offers as shown below (i.e., 150 MW divided by three offers equals 50 MW). The sum of capacity allotted to the import offers (100 MW) would violate the intertie constraint (80 MW), and so, the intertie constraint must be resolved first using only the resources applicable to that constraint (i.e., the imports).

| | **Resource Type** | **Offer (MW)** | **Lamination** | **Offer Type** | **Step 1 Allotment (MW)** |
|---|---|---|---|---|---|
| Offer A | Import | 70.0 | 1 | Partial | 50.0 ! |
| Offer B | Import | 70.0 | 1 | Partial | 50.0 ! |
| Offer C | Generator | 120.0 | 1 | Partial | 50.0 |
| | **Total:** | **260.0** | | **Total:** | **150.0** |

# Multiple Constraints in Tie-Break: Example (3/4)

**Step 1 (imports only):** The remaining available import capacity is split into equal shares and allotted to the tied offers as shown below (i.e., 80 MW divided by two offers equals 40 MW).

**Steps 2-3 (imports only):** There is no available capacity remaining after Step 1.

| | Resource Type | Offer (MW) | Lamination | Offer Type | Step 1-3 Allotment (MW) |
|---|---|---|---|---|---|
| Offer A | Import | 70.0 | 1 | Partial | 40.0 |
| Offer B | Import | 70.0 | 1 | Partial | 40.0 |
| | **Total:** | **140.0** | | **Total:** | **80.0** |

# Multiple Constraints in Tie-Break: Example (4/4)

Following the allotment of tied capacity to Offers A and B, only Offer C remains to be awarded an allotment of the remaining (tied) capacity. As such, Offer C is allotted 70 MW to fulfill all constraints and no tied capacity remains.

| | Resource Type | Offer (MW) | Lamination | Offer Type | Step 1-3 Allotment (MW) |
|---|---|---|---|---|---|
| Offer A | Import | 70.0 | 1 | Partial | 40.0 ✓ |
| Offer B | Import | 70.0 | 1 | Partial | 40.0 ✓ |
| Offer C | Generator | 120.0 | 1 | Partial | 70.0 ✓ |
| | **Total:** | **260.0** | | **Total:** | **150.0** |

# Thank You

ieso.ca

1.888.448.7777

customer.relations@ieso.ca

engagement@ieso.ca

@IESO_Tweets

linkedin.com/company/IESO

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