

| Proposed Market Rule Amendment section  | TP Member comment  | IESO Response  |
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| <p><u>18.7.5.1 divide the available <i>auction capacity</i> by the number of <i>capacity auction offer</i> laminations involved in the tie, rounded down to one decimal place</u></p>   | <p>It is unclear if “rounded down to one decimal place” refer to “the available auction capacity”, “the number of capacity auction offer lamination” or the fraction resulting from doing the division. Propose to clarify and also add the word “share” as it’s used elsewhere in this section. For example, consider:</p> <p>“Determine a share of available auction capacity by dividing the available auction capacity by the number of capacity auction offer laminations involved in the tie and rounding down the calculated value to one decimal place”</p>  | <p>See IESO staff memo to Technical Panel dated September 30, 2025 and associated changes to MR-00488-R00 version 2.0.</p>   |
| <p><del>with the applicable market manual/Where multiple <i>capacity auction offer</i> laminations share the same price and cannot all be fully awarded based on the <i>available auction capacity</i>, the awarding of such <i>available auction capacity</i> will be determined in accordance with the following:</del></p> <p><u>18.7.5.1 divide the <i>available auction capacity</i> by the number of <i>capacity auction offer</i> laminations involved in the tie, rounded down to one decimal place.</u></p> <p><i>auction capacity</i> means an amount in megawatts of electricity <i>available to be provided to the IESO-controlled grid, by capacity market participants</i> in association with a <i>capacity auction</i>;</p> | <p>I don’t think the term “available auction capacity” has been used elsewhere previously.</p> <p>“Auction capacity” is a defined term in Chapter 11 and the definition has to do with how much capacity participants are able to provide (“available to be provided ... by capacity market participant”).</p> <p>As such, the reference to “available <i>auction capacity</i>” in the proposed amendment may add confusion, as in the case of the tie-break process, the availability has to do with the procurement limit, rather than quantity available from participants. Perhaps “available auction capacity” should be its own defined term to add clarity.</p> | <p>The defined term “<i>auction capacity</i>” refers to megawatts of electricity available to be provided to the IESO-controlled grid by capacity market participants. The use of “available <i>auction capacity</i>” in s.18.7.5 is referring to the portion of <i>auction capacity</i> which could still potentially be awarded a capacity obligation under the capacity auction. More specifically, the available auction capacity in s.18.7.5 refers to the marginal amount of megawatts that remains between what has already been allotted in the auction and the limits set out in the pre-auction report and as subject to any applicable constraints.</p> |

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| <p>a. for any <i>capacity auction offer</i> lamination that is less than or equal to the share determined in accordance with s. 18.7.5.1, such <i>capacity auction offer</i> lamination will be allotted <i>auction capacity</i> equal to such <i>capacity auction offer</i> lamination.</p> <p>b. for any <i>capacity auction offer</i> lamination which is an amount greater than the share determined in accordance with section 18.7.5.1 and was identified as being for the full amount <i>offered</i> in the lamination in accordance with section 18.6.3.4, such <i>capacity auction offer</i> lamination will not be allotted <i>auction capacity</i> and such <i>capacity auction offer</i> lamination will not be considered further in the tie break methodology outlined in this section.</p> <p>c. for any <i>capacity auction offer</i> lamination for a quantity greater than the share determined in accordance with section 18.7.5.1 and identified as including consideration of partial amounts <i>offered</i> in its lamination in accordance with section 18.6.3.4, it will be allotted <i>auction capacity</i> equal to the share determined in accordance with section 18.7.5.1.</p> | <p>Consider amending to add consistency between i) “lamination”, ii) “lamination...amount” and iii) “lamination for a quantity”. As far as I can tell all three are referring to the quantity associated with a price-quantity pair, which in this case is referred to as a “lamination”. Also noting that 18.6.3.4 refers to “amount of auction capacity offered in a lamination”.</p> <p>Also use either “s.18.7.5.1” or “section 18.7.5.1” for consistency</p> | <p>See IESO staff memo to Technical Panel dated September 30, 2025 and associated changes to MR-00488-R00 version 2.0</p>   |
| <p>18.7.5.2 If there is <i>auction capacity</i> remaining after completing the process in s.18.7.5.1, each <i>capacity auction offer</i> lamination referred to in section s.18.7.5.1(c) will be allotted a proportional share of the remaining <i>auction capacity</i>, rounded down to 1 decimal place, based on the unallotted</p>   | <p>Consider adding “available” to “If there is auction capacity”</p> <p>Use “1 decimal place” or “one decimal place” as in 18.7.5.2. for consistency.</p> <p>Also should “rounded down to one place” not be at the end of this section as it will apply to the end result as not to “the remaining auction capacity”?</p>   | <p>See IESO staff memo to Technical Panel dated September 30, 2025 and associated changes to MR-00488-R00 version 2.0</p>   |
|   | <p>Consider using either “remaining” or “unallotted” for consistency between 18.7.5.2 and 18.7.5.3</p>  | <p>See IESO staff memo to Technical Panel dated September 30, 2025 and associated changes to MR-00488-R00 version 2.0</p>   |
| <p>18.7.5.4 Where the application of sections 18.7.5.1 to 18.7.5.3 would result in a total <i>capacity obligation</i> of less than 1MW being awarded to a <i>capacity auction resource</i>.</p> <p>18.7.5.4.1 the <i>capacity auction offer</i> lamination which was allotted the lowest amount of auction capacity of the tied <i>capacity auction offers</i> will be eliminated and the process in ss.18.7.5.1 to 18.7.5.3 will be repeated to allot the <i>auction capacity</i> that would have otherwise been allotted to such <i>capacity auction offer</i> lamination.</p> <p>18.7.5.4.2 If there are two or more <i>capacity auction offer</i> laminations that are tied in regards to the lowest <i>capacity obligation</i> allotted, the <i>capacity auction offer</i> eliminated will be the one with the latest time stamp.</p>  | <p>I do not fully understand the mechanics described in this section. Is “the lowest amount of auction capacity of the tied capacity auction offers” in 18.7.5.4.1 the “obligation of less than 1MW” or “the next largest”? Assuming the latter, if there is an obligation of 0.1 MW and one of 1.1 MW – will now 1.2 MW be subject to 18.7.5.1?</p>  | <p>Where the tie-break methodology results in more than one allotment of less than 1 MW, the offer lamination which resulted in the lowest allotment is removed from consideration and the tie-break methodology is rerun. This process continues until no allocations of less than 1 MW would result or until all offer laminations have been eliminated from consideration.</p> |

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|  | <p>What happens if 18.7.5.1 by virtue of rounding results in zero. For example, the 1.2MW are divided by 3 laminations.</p> <p>Given the small impact is there an easier way to deal with the &lt;1MW quantity at this stage.</p>  | <p>In the first example proposed where one resource is allotted 0.1MW and the other is allotted 1.1MW, the offer lamination which resulted in the 0.1 MW allotment would be removed and the other resource would be allotted the 1.2 MW.</p> <p>Where there is 1.2MW of available capacity and three tied offer laminations, each would originally be assigned a 0.4MW allocation, in this case all allocations are equal so s.18.7.5.4.2 will apply and the offer lamination with the latest time stamp would be first removed. The tie-break would then be run for the two remaining resources resulting in both receiving a 0.6MW allocation. This once again would violate the 1MW requirement, and because the allocations are once again equal this will result in the application of s.18.7.5.4.2 and the offer lamination with the latest time stamp will once again be removed. Finally, in this scenario after the two offer laminations have been eliminated, the remaining offer lamination would be allotted the 1.2MW.</p> |
| <p><u>18.7.5.5 If any constraint, as published in accordance with ss.18.5.2, 18.5.3, 18.5.5 or 18.5.6, would be violated by any allotment in this process, then the IESO will use the process set out above to allot the remaining quantity of the applicable constraint among the capacity auction resource types that are limited by such constraint. If two or more constraints are simultaneously violated, the constraint with the lower remaining auction capacity quantity shall be allotted. After such allotment the IESO will restart the process to allot the remaining available auction capacity among the remaining eligible capacity auction offer laminations.</u></p> | <p>What is “this process” referring to – consider clarifying. How is the “quantity of the applicable constraint” defined?</p> <p>Not sure I understand the reference to “allot ... among the capacity auction resource types that are limited by such constraint”. If the constraint</p> | <p>See IESO staff memo to Technical Panel dated September 30, 2025 and associated changes to MR-00488-R00 version 2.0</p> <p>See Capacity Auction Enhancements – Tie Break Example – Dated October 7, 2025</p>   |

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|  | <p>will be violated why is the allocation applied to resources that are limited.</p> <p>Please explain with an example.</p> |  |
| <b>Regarding ss 18.5.2, 18.5.3, 18.5.5 or 18.5.6</b> | Does s 18.5.2 describe a constraint?  | See IESO staff memo to Technical Panel dated September 30, 2025 and associated changes to MR-00488-R00 version 2.0 |