

Comments and Questions from Vlad Urukov – MR-00493-R00: 2026 Capacity Auction Enhancements

Ref #	Provision	Comment	IESO Response
1	4.13.8 The capacity obligation in-period cleared UCAP adjustment charge settlement amount for capacity market participant 'k' at delivery point 'm' in the relevant market billing period ("CAIPA"^m,") shall be calculated and collected from such capacity market participant for i) the energy market billing period in which the provided notice to the capacity market participant that the hourly demand resource's average hourly capacity delivered over the four hour testing period less than 90% of its cleared UCAP; ii) each prior energy market billing period relevant obligation period included as an adjustment to the next scheduled recalculated settlement statement for such energy market billing period; and the capacity market participant has filed a notice of disagreement in regards to outcome of a capacity auction capacity test, each subsequent energy market period of the relevant obligation period. The capacity obligation in-period UCAP adjustment charge settlement amount is calculated as follows: d. 'UCAP Adjustment' is a de-rate (in %) based on the hourly demand response resource's delivered performance during a capacity auction capacity test, as determined in accordance with the applicable market manual. If the capacity market participant has filed a notice of disagreement in regards to the outcome of the capacity auction capacity test in accordance with section 6.8, and but filing such notice of disagreement the capacity market participant would have	Could you confirm that the filing of a NOD (assume this is a standard NOD as per ch 11) has an impact on the period of applicability of the CAIPA. From my read of 4.13.8 if an MP does not file a NOD, then the applicability is defined in i) and ii) to jointly cover from the start of the obligation period to the period in which IESO provided notice. Only if a NOD is filed, the CAIPA will also apply for each subsequent energy market billing period of the relevant obligation period, meaning over the whole period as i, ii, and iii will span the entire period? Consider standardizing the language in 4.13.8 and 4.13.8 part d). The latter reads "If the capacity market participant has filed a notice of disagreement in regards to the outcomes of the capacity auction capacity test in accordance with section 6.8". "Outcome" is pluralized to "outcomes" and there is an added reference to "in accordance with section 6.8" that is not present in the first instance.	See accompanying example document for application of the notice of disagreement process in relation to a capacity auction test. Language used in section 4.13.8 has been updated for consistency.
2	$CAIPA^m_k = (-1 \times \text{Max} (0, (CAAP^m_k \times (\text{UCAP Adjustment}) + \sum^H CAAC^m_k))$	There is a missing closing bracket. I think there should be a third one at the very end? Is the UCAP adjustment in % or decimal? if the former, is the /100 assumed?	The missing third closing bracket has been added to the formula. The UCAP adjustment is a % value but is converted to a decimal for the purposes of the CAIPA calculation.

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3	d. 'UCAP Adjustment' is a de-rate (in %) based on the <i>hourly demand response resource's</i> delivered performance during a <i>capacity auction capacity test</i> , as determined in accordance with the applicable <i>market manual</i> . <i>If the capacity market participant has filed a notice of disagreement</i> in regards to the outcome of the <i>capacity auction capacity test</i> in accordance with section 6.8, and by filing such <i>notice of disagreement</i> the <i>capacity market participant</i> would have forfeited any of its <i>capacity obligation</i> pursuant to MR Ch.7 s. 19.4.18, then <i>UCAP Adjustment shall equal 100%—be the value the IESO initially determined in accordance with the applicable market manual</i> . Following the resolution of	I am not sure I can follow the timing here. Based on the above, once a test is complete and when the hourly demand response resource's average hourly capacity delivered over the four hour testing period was less than 90% of its cleared UCAP, the IESO will notify the participant and compute and settle the CAIPA accordingly. If participant submits a NOD, the IESO will keep (i.e., will not change) that % de-rate and keep applying it to successive billing period until the NOD is resolved? If this is correct, consider changing to “the UCAP Adjustment will remain as the value determined by the IESO in accordance ...”	See accompanying example document for application of the notice of disagreement process in relation to a capacity auction test.
4	<u>I. Apply the de-rate % determined to be correct following the resolution of the notice of disagreement to all energy market billing periods to which the settlement amount applied; and</u>	Italicize “amount” in “settlement amount”. Is it not the case that the “correct de-rate %” should apply to all billing periods to which the original “de-rate applied” in the calculation of a CAIPA? In other words, the “settlement amount” in this context is not clear. What the proposal (I think) is capturing is that post completion of NOD, there will be RCSS based adjustments for a number of billing period based on possibly a new de-rate%. I think it's important to capture that if the de-rate% is deemed correct, then no such adjustments will be needed.	Italics have been applied to the defined term “settlement amount” Subject to MR Ch.9 s.6.8.9.1, “if the IESO concludes that no adjustment or correction is required in the <i>settlement statement</i> , it shall take no further action.” Only where it was determined that a correction is warranted would a revised de-rate % be applied.
5	<u>I. Apply the de-rate % determined to be correct following the resolution of the notice of disagreement to all energy market billing periods to which the settlement amount applied; and</u>	If a participant's NOD leads to a new % de-rate, or even in the case where the original is confirmed, what happens to the period	See accompanying example document for application of the notice of disagreement

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		in 4.13.8 iii) (the period after the NOD until the end of the obligation period)? It is still unclear to me if and how the NOD impacts the overall period of applicability of CAIPA over an obligation period. (see question 1)	process in relation to a capacity auction test.
6	<u>II. Notwithstanding (I), if the de-rate % determined to be correct follows the resolution of the notice of disagreement is such that the capacity market participant would have forfeited all of its capacity obligation pursuant to MR Ch.7 s.19.4.18 but for filing such notice of disagreement the de-rate % applicable to the energy market billing periods referred in clause (iii) of s.4.13.8 shall equal 100%.</u>	How does this clause tie to iii) which defines all remaining billing periods after the NOD until the end of the obligation period? Is the 100% derate only applied prospectively, or over the entire obligation period and only if a NOD is filed. Why is II) needed if I) already replaces with the correct de-rate and iii) includes the remaining period. Please consider explaining with an example that covers all three periods (i, ii, iii) when 1) no NOD is filed, 2) when NOD is filed and 3) when a NOD is filed and the correct de-rate is 100%	See accompanying example document for application of the notice of disagreement process in relation to a capacity auction test.