

Capacity Auction Engagement Plan

August 15, 2019

I. Introduction

Capacity auctions are an effective tool to help meet Ontario's reliability needs and enable broader participation in the electricity market. Aligned with our commitment to increase competition, the IESO is proposing to adopt a phased approach to evolve the Capacity Auction (CA) while taking into consideration the unique nature of Ontario's electricity system.

The IESO will engage stakeholders to improve design features that support sector participation, reliability, and affordability for consumers for incorporation into future auctions. This engagement builds on the stakeholder discussion regarding "Meeting Ontario's Capacity Needs."

The IESO is committed to working with stakeholders to explore and implement competitive mechanisms, such as auctions, to secure the products and services it requires to operate the grid reliably and efficiently now and into the future.

As part of this process, feedback is being requested from stakeholders on specific aspects of the ongoing evolution of the CA. This engagement plan outlines the objectives, approach, timeline and considerations for engaging stakeholders in that process. This engagement plan may be subject to review and updates, as the project continues. All comments and inquiries on this engagement can be directed to engagement@ieso.ca.

II. Engagement Objectives

The objective of this engagement is to ensure that stakeholders understand this initiative and can inform the development of the CA. The IESO will outline the proposed changes to evolve the CA and seek to understand how these changes may affect stakeholders. The IESO will work with stakeholders to identify any significant issues and potential solutions associated with the proposed design features.

III. Stakeholders

The IESO encourages all interested parties to participate in this engagement through the public engagement sessions described in the proposed engagement schedule section below. The IESO anticipates that this initiative will be of particular interest to consumers and consumer groups, demand response aggregators, energy technology companies and other energy solution providers, generators, neighbouring energy marketing entities, industry associations, and those interested in the Demand Response Working Group (DRWG) and Market Renewal Program

(MRP) stakeholder engagements. As specific design elements are discussed, the IESO will work to ensure that any affected stakeholders or groups are made aware of their opportunities to contribute to the design of the CA.

IV. Approach

The implementation of this engagement plan will be in accordance with the IESO's approved [engagement principles](#).

This process is a public engagement process. All materials will be posted on the dedicated IESO engagement webpage for this initiative. In addition, any information/input supplied by interested parties will also be posted (with consent).

The approach for this engagement initiative includes opportunities to provide input through various channels such as in-person meetings, webinars, and written feedback.

Stakeholder engagement on the development of the CA will use a phased approach to continually broaden participation and/or implement additional design features for future iterations of the CA.

V. Proposed Engagement Schedule

Timing	Engagement Activity
August 22, 2019	Introductory discussion and presentation of the purpose, high-level scope, and timing of this engagement <ul style="list-style-type: none"> • Discuss areas for feedback; solicit initial feedback on proposed engagement approach
September 5, 2019	Stakeholder feedback due on draft engagement plan, and high-level scope
September 18, 2019	Meeting to begin discussion on June 2020 auction design <ul style="list-style-type: none"> • Review initial feedback on scope of the work plan • Discuss initial set of design proposals for June 2020 auction, including design proposals specific to auction mechanics (reference price and maximum auction clearing price)
October, 2019	Stakeholder feedback due on draft design proposals for June 2020 auction
October, 2019	Meeting to review feedback on design proposals and present draft design document for June 2020 auction
October/November, 2019	Stakeholder feedback due on draft design document

November, 2019	Meeting to present final design document and draft market rules for June 2020 auction <ul style="list-style-type: none"> • Seeking feedback on key challenges, barriers, and opportunities
December, 2019	Stakeholder feedback due on draft market rules for June 2020 auction
Post-2019	Additional in-person meetings or webinars as required

VI. Additional Background and Resources

Demand Response Auction (DRA)

For details on past demand response auctions including auction results, timelines and related documents.

[Demand Response Auction \(DRA\) Webpage](#)

[Introduction to the Demand Response Auction Training Guide](#)

[Market Manual 12: Demand Response Auction](#)

Demand Response Working Group (DRWG)

The DRWG is an open membership forum that assists the IESO in the evolution of DR in the IESO-administered markets.

[Demand Response Working Group \(DRWG\) Webpage](#)

Planning Outlook Stakeholder Engagement

The Planning Outlook is part of our efforts to build transparency into our planning processes by providing updated information to the market to enable more informed decisions. The final 2019 Planning Outlook will be released in Q4 2019.

[Planning Outlook Stakeholder Engagement Webpage](#)

Meeting Ontario’s Capacity Needs: 2020-2024

For details on the Transitional Capacity Auction (TCA) Phase I.

[Meeting Ontario’s Capacity Needs: 2020-2024](#)