



October 24, 2017

Comments on Incremental Capacity Auction (ICA) Meeting #2 (September 28, 2017)

The following table sets out AMPCO’s comments on the information provided as part of the IESO’s stakeholder activities relating to the Market Renewal Program.

These comments are in specific reference to the Market Renewal Stakeholder Engagement Session dealing with the Incremental Capacity Auction (ICA) session that was held on September 28, 2017, and they directly reference slides that were used that day to frame the ICA discussion.

In some cases, comments may be more general in nature than the “General Topic” column suggests.

General Topic	Slide Number	Comments
Participation Requirements	26	<ul style="list-style-type: none"> <li>• It is difficult at this point to provide meaningful comments since we don’t know the details</li> <li>• The proposed structure appears reasonable</li> <li>• In short - the amount of the deposit should be consistent with the risk - this can only be assessed as reasonable or not once the proposed quantum is known</li> </ul>
Resource Eligibility (ineligible)	39	<ul style="list-style-type: none"> <li>• No Comments at this time</li> </ul>
Resource Eligibility (new vs existing)	43	<ul style="list-style-type: none"> <li>• No Comments at this time</li> </ul>
Resource Eligibility (permits and licensing)	49	<ul style="list-style-type: none"> <li>• In general terms, AMPCO feels that proponents should bear the risk on permits and licensing</li> <li>• AMPCO believes that the current level of risk that has been assumed by the IESO in contracting is too high. In the ICA process, the IESO should generally allocate risk where it properly belongs - to the proponent.</li> <li>• If proponents do not meet requirements then penalties should apply</li> </ul>
Resource Eligibility (project milestones)	52	<ul style="list-style-type: none"> <li>• In general terms, AMPCO feels that proponents should bear the risk on project milestones</li> <li>• The current level of risk that has been assumed by the IESO in contracting is too high. In the ICA process, the IESO should generally allocate risk where it properly belongs - to the proponent.</li> </ul>

General Topic	Slide Number	Comments
Resource Eligibility (connection assessment)	56	<ul style="list-style-type: none"> <li>The IESO should potentially provide preliminary information regarding connection availability in advance of the auction</li> </ul>
Resource Eligibility (project financing)	59	<ul style="list-style-type: none"> <li>In general terms, AMPCO feels that proponents should bear the risk on project financing</li> <li>The current level of risk that has been assumed by the IESO in contracting is too high. In the ICA process, the IESO should generally allocate risk where it properly belongs - to the proponent.</li> </ul>
Resource Eligibility (project development experience)	61	<ul style="list-style-type: none"> <li>The IESO has no control over this</li> <li>In general terms, AMPCO feels that proponents should bear the risk on project development experience</li> <li>The current level of risk that has been assumed by the IESO in contracting is too high. In the ICA process, the IESO should generally allocate risk where it properly belongs - to the proponent.</li> </ul>
Resource Eligibility (site access)	63	<ul style="list-style-type: none"> <li>In general terms, AMPCO feels that proponents should bear the risk on site access</li> <li>The current level of risk that has been assumed by the IESO in contracting is too high. In the ICA process, the IESO should generally allocate risk where it properly belongs - to the proponent.</li> </ul>
Resource Eligibility (project support)	65	<ul style="list-style-type: none"> <li>In general terms, AMPCO feels that proponents should bear the risk on project support</li> <li>The current level of risk that has been assumed by the IESO in contracting is too high. In the ICA process, the IESO should generally allocate risk where it properly belongs - to the proponent.</li> </ul>
Resource Eligibility	66	<ul style="list-style-type: none"> <li>In general terms, AMPCO feels that proponents should bear the risk on Resource Eligibility</li> <li>The current level of risk that has been assumed by the IESO in contracting is too high. In the ICA process, the IESO should generally allocate risk where it properly belongs - to the proponent.</li> </ul>
Resource Eligibility (Energy Storage)	70	<ul style="list-style-type: none"> <li>Energy storage resources should be eligible to participate in the auction if they can satisfy all eligibility requirements and meet the Resource Performance Obligations</li> <li>The participation of these resources needs to be optimized with their participation in the energy market. This may require some enhancements through the SSM</li> </ul>

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		initiative.
Resource Eligibility (Demand Response)	72	<ul style="list-style-type: none"> <li>• Some additional information from the IESO would be helpful in determining how the ICA product will be different than the DR product</li> <li>• Demand response resources should be eligible to participate in the auction if they can satisfy all eligibility requirements and meet the Resource Performance Obligations</li> <li>• The participation of these resources needs to be optimized with their participation in the energy market. This may require some enhancements through the SSM initiative.</li> </ul>
Resource Eligibility (Aggregated Resources)	77	<ul style="list-style-type: none"> <li>• Some additional information from the IESO in terms of potential aggregation rules or changes would be helpful here</li> <li>• ICA aggregation rules must be consistent with the aggregation rules to be developed in the SSM initiative</li> </ul>
Resource Eligibility (Contracted Resources - issue #1)	82	<ul style="list-style-type: none"> <li>• No specific comments but agree with the concept of ensuring no double dipping. Additional discussions need to be had on what is the definition of “existing” versus what is “incremental”.</li> <li>• Any incremental capacity should be appropriately qualified</li> </ul>
Resource Eligibility (Contracted Resources - issue #2)	88	<ul style="list-style-type: none"> <li>• No specific comments but there is no need to seek out additional complexity.</li> <li>• Difficult to opine at this point without specifics</li> </ul>
Resource Eligibility (Contracted Resources)	90	<ul style="list-style-type: none"> <li>• No Comments at this time</li> </ul>
Resource Eligibility (Regulated Entities)	92	<ul style="list-style-type: none"> <li>• AMPCO understands that this does not apply to resources regulated pursuant to O. Reg. 53/05</li> <li>• No specific comments but agree with the concept of ensuring no double dipping</li> </ul>
Resource Eligibility (Imports)	95	<ul style="list-style-type: none"> <li>• As with other jurisdictions, imports must not be counted as capacity in more than one area</li> <li>• Consideration of imports backed by coal-fired generation is a political issue and should be dealt with by Government, not by the Market Renewal Stakeholder Engagement</li> </ul>
Qualified	114	<ul style="list-style-type: none"> <li>• No Comments at this time</li> </ul>

General Topic	Slide Number	Comments
Capacity (PO and MO)		<ul style="list-style-type: none"> <li>• Difficult to opine at this point without specifics</li> </ul>
Qualified Capacity (FO)	122	<ul style="list-style-type: none"> <li>• No Comments at this time</li> <li>• Difficult to opine at this point without specifics</li> </ul>
Qualified Capacity (Seasonal Capability)	130	<ul style="list-style-type: none"> <li>• No Comments at this time</li> <li>• Difficult to opine at this point without specifics</li> </ul>
Qualified Capacity (Locational Constraints)	135	<ul style="list-style-type: none"> <li>• No Comments at this time</li> <li>• Difficult to opine at this point without specifics</li> </ul>
Qualified Capacity (New Resources)	145	<ul style="list-style-type: none"> <li>• No Comments at this time</li> <li>• Difficult to opine at this point without specifics</li> </ul>
Qualified Capacity (Methodology - Aggregation Level)	149	<ul style="list-style-type: none"> <li>• No Comments at this time</li> <li>• Difficult to opine at this point without specifics</li> </ul>
Qualified Capacity (Methodology - Calculation Method)	156	<ul style="list-style-type: none"> <li>• No Comments at this time</li> <li>• Difficult to opine at this point without specifics</li> </ul>