

Incremental Capacity Auction (ICA) – Stakeholder Feedback Form

Stakeholder Meeting: April 19, 2018

Date Submitted: <i>2018/05/17</i>	Feedback provided by: Company Name: Advanced Energy Management Alliance (AEMA) Contact Name: Katherine Hamilton Phone: _____ Email: _____
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The IESO held the seventh meeting of the ‘Options Phase’ of the Market Renewal – Incremental Capacity Auction engagement on April 19, 2018.

The presentation can be [found here](#).

In order to maximize the effectiveness of this stakeholder engagement process, the IESO requests that stakeholders use the template below to provide feedback on content presented as follows:

- Provide responses to the questions posed
- For options presented, indicate your preference along with applicable rationale/supporting arguments (reference slide numbers where applicable)
- Identify any aspects that you believe require further elaboration or discussion

Please provide feedback by **May 17, 2018** to engagement@ieso.ca. Feedback received will be summarized and will help inform further discussions at future stakeholder engagement meetings.

Topic/Design Element	Features	Questions/Next Steps/Recommendations	Stakeholder Feedback
Decision Phase Work Plan	<i>Slides 25-36</i>	<p>NEXT STEPS: The next stakeholder session will be held on June 14, 2018 and will include: – Presentation on the results of the Demand Curve modelling – Summary of the SE feedback from March 7/April 19</p> <p>Sessions following this will be held on September 12, 2018 (Participation Model: Vision) and October 16, 2018 (Participation Model: Preliminary Decisions)</p> <p>Stakeholders interested in attending these sessions are encouraged to block off these dates in their calendars</p>	AEMA looks forward to participating in the Participation Model group decisions.
ICA Schedule Checkpoint	<i>Slides 38-43</i>	<i>Please provide any comments you may have on this section of the presentation.</i>	If a shorter forward period is put in place for the first (or first few) Auctions, rules for qualification and preparation of assets in advance of the first day of the commitment period will need to be condensed. The IESO will need to recognize that some of the dates/milestones may not fit within a condensed schedule compared to a 3 year forward period and resources should not be ‘punished’ for this shortened period.
APRIL 19 DESIGN ELEMENTS			

Topic/Design Element	Features	Questions/Next Steps/Recommendations	Stakeholder Feedback
Locational Considerations	(1a) Capacity Zones – Transmission Limitations <i>Slides 53-57</i>	NEXT STEPS: As part of the detailed design, IESO will establish necessary processes to incorporate transmission limitations in the formation of Capacity Zones for the ICA	
	(1b) Capacity Zones – Reasonably Stable and Predictable <i>Slides 58-62</i>	OPTIONS: (1) A fixed periodicity (2) A material change to the system (3) Combination of 1&2 RECOMMENDATION: Pursue Option 3 and establish criteria for when a review would be triggered	AEMA supports the IESO recommendation of Option 3.
		QUESTION: How often should the IESO review the Capacity Zones? QUESTION: Should this review be aligned with other relevant activities (e.g., Planning, ICA or others)?	Yes. The review of Capacity Zones should be aligned with the other relevant activities such as planning. Reviews should take place every 3 years.
(1c) Capacity Zones – Reasonable Size <i>Slides 63-66</i>	NEXT STEPS: During detailed design, and as part of developing the required processes to establish ICA zones and the associated zonal maximum and minimum capacity, the IESO will further explore the need for identifying a minimum size threshold	AEMA supports a size threshold for a zone. AEMA recommends that the minimum be large enough to ensure that suppliers would be able to target it with confidence in market size and their ability to set and fill their obligation.	

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	(2) Zonal Maximum Capacity <i>Slides 67-72</i>	NEXT STEPS: The IESO will review the two approaches to determine which option is better suited for the purpose of establishing the maximum capacity that can be acquired in an export-constrained Capacity Zone	For an export-constrained zone, there can be no more capacity offered than the native capacity of that zone plus the maximum export capabilities out of that zone. However, this should include both export into other IESO zones as well as other ISOs (e.g. NYISO).
	(3) Zonal Minimum Capacity <i>Slides 73-77</i>	NEXT STEPS: The IESO will establish, as part of the detailed design, a process to determine Zonal Minimum Capacity for import constrained zones, if required	There should be enough capacity in every import-constrained zone to meet the native load minus the maximum import capabilities
	(4) Deliverability <i>Slides 80-93</i>	NEXT STEPS: IESO will further explore the presented preliminary IESO vision taking into consideration the feedback provided by stakeholders The IESO will also review the current CAA process while developing the deliverability assessment to determine whether the deliverability assessment should be an independent process or should it be part of the CAA process	
	(4) Deliverability – Pre Auction Deliverability Indication <i>Slides 94-98</i>	NEXT STEPS: IESO will examine how to create a simple method that could provide an indicative estimate of available transmission capability prior to resource qualification	

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		<p>QUESTION: What type of information do stakeholders feel is important to be made available before, during and following each auction?</p>	<p>AEMA recommends that the ICA follow a similar reporting process as the Demand Response Auction.</p> <p><i>Pre-Auction:</i> publication of the key milestone dates, target capacity, maximum and minimum clearing prices, capacity limits and zonal constraints</p> <p><i>During Auction:</i> DR Auction clearing price, amount of MW cleared for each zone, list of successful capacity supply obligation holders and their capacity obligations, qualified capacity by participant.</p> <p><i>Post Auction:</i> Amount of capacity offered and cleared in every zone. Cleared MWs should be listed by auction participant. Auction results should be refreshed as they change as a result of bilateral trading post-auction.</p>
	<p>(5) Locational Clearing</p> <p><i>Slides 99-100</i></p>	<p>Following completion of the demand curve modelling analysis currently underway, the IESO plans to further model the potential market outcomes of the two clearing approaches discussed on slide 99</p> <p>Regardless of the approach used, the clearing mechanism will aim to result in transparent auction clearing prices that signal the value of capacity within a defined zone in Ontario</p>	<p>AEMA supports a transparent auction clearing price that signals the value of capacity within a defined zone. AEMA looks forward to continuing this discussion in the next phase of the ICA consultation.</p>

General Comments/Feedback:

AEMA appreciates the opportunity to participate in this stakeholder process and to continue providing input and solutions as the ICA portion of Market Renewable moves forward.

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