
JANUARY 23, 2020

Stakeholder Feedback Form Capacity Auction Engagement Webinar

Ontario Power Generation
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Feedback from the January 23 Capacity Auction webinar: June 2020 Capacity Auction

Topic - Proposed rules amendments and next steps

- [Market Manual 12.0 \(redlined, dated: January 23, 2020\)](#)
- Section numbers from 1.1 to 1.4 are not labelled on Table of Contents
- Section numbers from 2.1 to 2.5 (and 2.5.1 to 2.5.6) are not shown on Table of Contents
- The table of contents show section 3 as Demand Curve Elements, but this section was moved to Section 2.5 in the latest revision.

Feedback from the January 23 Capacity Auction webinar: June 2020 Capacity Auction continued

- The table of contents show section 4 as Pre-Auction Requirements but this section was re-numbered as Section 3. The changes should be reflected on the table of contents.
- The table of contents show Section 5 as Auction Mechanics but this was re-numbered to section 4. The change should be reflected on the table of contents.
 - The table of contents should show the sub-heading numbers for Stage 1, Stage 2, and Stage 3 sections.

Feedback from the January 23 Capacity Auction webinar: June 2020 Capacity Auction continued

- The table of contents show Section 7 as Settlements but this was re-numbered to Section 6. The change should be reflected on the table of contents.
- The table of contents should show the sub-heading number for Non-Performance Factors (Section 6.1)
- Under Sections 2.1, 3.2, 3.3, 5.1.1 and 5.1.3, it refers to “Market Manual 1.5: Market Registration Procedures”. Market Manual 1.5: Market Registration Procedures
- currently does not exist in the [Market Manual library](#). This sentence should refer to correct Market Manual that exists in the library.

Feedback from the January 23 Capacity Auction webinar: June 2020 Capacity Auction continued

- Section 2.5.4 states that “The maximum capacity at the maximum capacity auction clearing price is the maximum amount of capacity which the IESO will clear through a capacity auction”. Based on the demand curve, maximum capacity occurs when auction clearing price is at \$0/MW-day. As such, OPG believes the correct definition should be: “The maximum capacity at the maximum capacity auction clearing price is the maximum amount of capacity **at the highest price** which the IESO will clear through a capacity auction”. It is OPG’s opinion that maximum capacity at the maximum capacity auction clearing price is self explanatory and describing this is redundant and not necessary

Feedback from the January 23 Capacity Auction webinar: June 2020 Capacity Auction continued

- Section 2.5.6 states that a constraint at an external interface reached by capacity import resources will not set the zonal capacity auction clearing price. Assuming that the external interface limit (MW) has been reached before the zonal capacity requirement for the zone where the external interface injects has been fully cleared, there would still be capacity offers within that zone at increasing prices. In this scenario, will the capacity imports clear at the eventual zonal capacity auction clearing price, or will a separate clearing price apply based on the offers that constrained the external interface limit?

Feedback from the January 23 Capacity Auction webinar: June 2020 Capacity Auction continued

- **Market Manual 4.2 (dated: Dec 6, 2019)**
- Market Manual 4.2 does not describe the Capacity Availability Obligations requirement for Capacity Generation Resource (specifically the PD-X requirement described in 8.1.1), Capacity Storage Resources and System-Backed Capacity Resources. What was described in Section 8.1.1 of the [June 2020 Capacity Auction - Design Document](#) is missing in Market Manual 4.2. This comment was initially raised on [OPG's stakeholder feedback dated Dec 20, 2019](#). However, changes were not made to Market Manual 4.2.



Feedback from the January 23 Capacity Auction webinar: June 2020 Capacity Auction continued

- **General Comments:**

Feedback from the December 2020 Capacity Auction webinar - Topic

Broadening Participation

- Resource backed Capacity Imports

Broadening Participation

- Self Schedulers

Market Power Mitigation Mechanisms

Auction Engine Mechanics

December 2020 Capacity Auction - Stakeholder Comments

December 2020 Capacity Auction Presentation (dated: January 23, 2020):

•Slide #4:

•IESO indicated that applying EFORd is not an appropriate measure for Demand Response resources as HDR aggregators have portfolio of contributors and that enhanced performance assessment framework is expected to discourage poor performance. OPG would like to know the specific details of the enhanced performance assessment for DR resources going forward. In addition, OPG would like to highlight

December 2020 Capacity Auction - Stakeholder Comments continued

that HDR resources have high failure rate during DR testing (56% of tests conducted on HDR between Winter 16/17 to Winter 18/19 did not follow dispatch) as indicated on slides 24-26 of the [DRWG presentation \(dated Jun 19, 2019\)](#). Given the high historical test failure of HDR resources, OPG believes that some form of equivalent EFORd should apply based on the DR test activation results.

December 2020 Capacity Auction - Stakeholder Comments continued

- **Slide #27-31:**

- OPG looks forward to the further development of auction engine mechanism that supports multiple offers and contingent offers. OPG believes that introducing multiple and contingent offers will provide business certainty and confidence when participating in the Capacity Auction.



General Comments:

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