Capacity Auction | March 2021 Auction Design

Stakeholder Feedback Form

Date Submitted: March 26, 2020 **Feedback Due:** March 26, 2020	**Feedback provided by:** Company Name: Rodan Energy Solutions Inc. Contact Name: Farhad Quassem Email: [redacted]

The IESO released a draft design document for the March 2021 Capacity Auction on March 5, 2020 that is available on the engagement webpage (under March 12).

Stakeholder feedback on the document is being requested by **March 26** to engagement@ieso.ca.

This feedback form is intended to help organize stakeholder feedback in two key areas:

1. **General feedback on the March 2021 Capacity Auction design:** *Is the overall design implementable? Does the Marh 2021 Capacity Auction design provide the appropriate level of certainty, increase competition, and enable participation from the eligble resources for the March 2021 auction and 2022 commitment period?*

2. **Detailed comments on specific elements of the design**: *Are there any specific design elements that would prevent a successful auction from taking place or a particular resource from meeting a capacity obligation?*

General feedback on the March 2021 Capacity Auction design

Chapter/Design Element	Detailed Comments on Design Phase (Areas of Support or Concern)
Auction Overview and Timelines • Pre-Auction Period Auction Period • Forward Period • Commitment and Obligation Periods	• Support timelines presented.
Expanding Participation • Generator Backed Capacity Import • Capacity Self-Scheduling Resources	• Support inclusion of non-committed storage.
Consolidation of Resources • Offer Submission and Auction Clearing • Forward Period Obligations • Dispatch Data Submission • Resource Dispatch • Testing	• The impact of new consolidation rules on aggregators remains unclear. Aggregators already combine the output of multiple resources. Do the new rules only apply to direct participants with multiple resources?
Capacity Qualification Process	• Concerned that new-build self-scheduling storage may not have adequate historical production data for deriving UCAP using the proposed methodology. • Suggest using same calculation as dispatchable storage
Market Power Mitigation Process • Exemptions • Determination of Market Power • Market Power Mitigation	• MPM methodology seems fair. Requesting details on how offer cap is calculated.
Pre-Auction Period • Determination of Auction Parameters • Pre-Auction Reporting	• Concerns about Capacity Qualification in separate section above • Support all other proposed changes

Chapter/Design Element	Detailed Comments on Design Phase (Areas of Support or Concern)
• Authorization Process • Consolidation of Resources • Capacity Qualification and Performance Assessment • Market Power Mitigation	
Auction Period • Offer Submission • Auction Clearing and Price Setting • Post Auction Reporting Obligations	• Concern regarding change in offer submissions (single offer, 20 laminations). • Could the IESO confirm whether each individual lamination will continue to have full/partial flags?
Forward Period • Participant Authorization in Auction • Resource Registration • Capacity Prudential Support • Capacity Obligation Transfers • Buy outs	• Concerned that Capacity Transfers *into* a zone will be disallowed if there are prior transfers *out of* the zone. • Consituents of an aggregated portfolio can change multiple times within an obligation period, and restriction will prevent aggregated resources from offering their true capability. • This becomes particularly problematic if the transferor and the transferee are the same (i.e. a CAP moving MWs between zones). • Suggest having formal and publicly visible tracking of transfers with time-stamped records. This will help prevent situations where a slower (but earlier) transaction cannot complete because an unrelated transaction filled up a zone. • Suggest offering the unasssigned megawatts to active participants when another participant buys out their obligation
Commitment Period • Energy Market Participation • Payments (Settlement Process) • Performance Obligation Assessment and Associated Charges or True-Ups	• Concerned about outage submission changes for HDRs. The additional detail required may become a prohibitively burdensome administrative task for DR aggregators. • This is particularly applicable for outage notifcations after a standby notice is issued, leaving little time to do so before an activation notice. • Support for the Availability Charge True-Up • Concerned about Non Performance Factor being applied to the Capacity Charge. Currently the Capacity Charge is capped at one charge per month, and is equal to

Chapter/Design Element	Detailed Comments on Design Phase (Areas of Support or Concern)
	the month's Availability Payment. Raising this amount would be unnecessarily punitive.
Cost Recovery	

Thank you for your feedback!

IESO Engagement