

Capacity Auction Design Memo 6.1

Engagement Topic: Performance Assessment – Capacity Test Thresholds

Engagement Status: Complete

Date: November 2022

The purpose of this memo is to summarize the changes to capacity test performance thresholds for capacity auction resources.

Existing Design

HDR resources must demonstrate delivery of 80% of their capacity obligation in order to avoid a capacity charge. Other capacity auction resources are not currently subject to capacity test performance thresholds.

2023 Enhancements

Under the enhanced framework, IESO will adjust the capacity test performance assessment threshold for HDR resources from 80% of the capacity obligation to 90% of the cleared Installed Capacity (ICAP), while other capacity auction resources will be required to demonstrate their ability to deliver 95% of the cleared ICAP during a capacity test.

The leniency for HDR resources is due to the fact that these resources are not directly metered by the IESO, meaning their performance is assessed using a calculated baseline which estimates what the resource would have been consuming in absence of the activation. IESO proposed adjusting the threshold for HDR resources from 20% to 10% of cleared ICAP delivered in order to more closely align with the very small (5%) deviation from cleared ICAP allowed by other capacity auction resource types.