

Feedback Form

Resource Adequacy webinar – April 22, 2021

Feedback Provided by:

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Following the April 22, 2021 Resource Adequacy engagement webinar, the Independent Electricity System Operator (IESO) is welcoming feedback from stakeholders on the items discussed during the webinar. The webinar presentation and recording can be accessed from the [engagement web page](#).

Please submit feedback to engagement@ieso.ca by May 13, 2021. If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

Feedback on draft market rule and manual amendments for 2021 Capacity Auction administrative enhancements

Draft Market Rule and Manual / Section	Feedback
Market manual (MM) 12 / Section (S) 3.2	
MM 12 / S 4.1	
MM 12 / S 5.2	
MM 12 / S 5.3.3	
MM 12 / S 6	
MM 12 / S 8	
MM 5.5 / 1.6.26.3.5	
Market rule (MR) Ch. 2 / S 1.2.2.6	
MR Ch. 11	
MR Ch. 7 / S. 18.4.4	
General comments/feedback	

Draft scope for hourly demand response (HDR) baseline methodology review

Topic	Feedback
<u>Data</u> Is the proposed source data appropriate? Is the analysis timeframe appropriate?	
<u>Suitable Business Days</u> Is the proposed method for choosing proxy event days appropriate? Should additional types of days be excluded from the set of proxy event days?	
<u>Baselines</u>	

Topic	Feedback
Are there additional baselines that should be evaluated? Do stakeholders support the exclusion of regression-based baselines?	
<u>Performance Assessment</u> Are the proposed evaluation principles of accuracy, integrity, and simplicity appropriate? Are the proposed statistical performance metrics to assess baseline accuracy appropriate?	
General comments/feedback	

General Comments / Feedback

At the November 18, 2020 Engagement Session, the IESO proposed and sought input on four “Major Resource Adequacy Discussion Areas”:

- General Framework
 - o Discussion of items such as eligibility, commitment details, role of government and regulatory policy, decision-making, capacity auction enhancements and other framework details
- Acquisition Target Setting
 - o Methodology for setting targets for amount to be acquired and how the different targets will be allocated and coordinated
- Planning Considerations
 - o Discussion of changes needed to IESO Power System Planning information and products to align with framework objectives
- Transition
 - o Discussion of period between when existing resource contracts expire and capacity need in 2028

In the engagements since, there has been no coherent plan presented to stakeholders outlining how and when these “Major Discussion Areas” will be brought forward. Rather, the IESO has focused almost entirely on one component of Resource Adequacy (Capacity Auction) and, most recently, announced a decision in the engagement session to develop an RFP for a three (3) year commitment

term beginning in 2026, without stakeholder input. The IESO has also indicated that no work will be undertaken in 2021 on the “Long-Term” element of Resource Adequacy and has suggested that the mechanism would only be applied to “new” resources.

Moreover, when the Resource Adequacy construct was first introduced to stakeholders in the fall of 2020, it included five (5) streams, two of which appear to have been either neglected to date or terminated, but are of particular relevance to waterpower:

Programs: Investments in assets, resources and businesses that can meet both electricity and non-electricity objectives

Government Policy: Nuclear and large-scale hydro resources are based on long-term strategic views that capture more than just the forecasted electricity needs.

The IESO needs to clearly lay out the approach to engagement on all of the elements of Resource Adequacy, consistent with that which was presented to stakeholders at the outset of the initiative.