

Feedback Form

Resource Adequacy webinar – May 28, 2021

Feedback Provided by:

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Following the May 28, 2021 Resource Adequacy engagement webinar, the Independent Electricity System Operator (IESO) is seeking 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 June 18, 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.

Resource Adequacy Information Guide

Topic	Feedback
<p>Is there any important Resource Adequacy-related information not already considered in this guide?</p>	<p>Yes. As we have consistently raised, • The IESO's Resource Adequacy (RA) Framework, as presented to stakeholders and approved by the IESO Board in 2020 includes five (5) acquisition mechanisms:</p> <p>Capacity Auctions</p> <ul style="list-style-type: none"> • The IESO's primary mechanism for acquiring smaller amounts of capacity to meet short term needs <p>Capacity Auctions and/or Targeted RFPs</p> <ul style="list-style-type: none"> • The means IESO intended to use to re-acquire existing resources of a minimum size that have material costs to re-invest and extend their capability to meet medium term needs <p>RFPs</p> <ul style="list-style-type: none"> • The mechanism to acquire newly-built resources or existing resources that require major upgrades to meet needs that are within long-term forecast confidence <p>Government Policy Direction</p> <ul style="list-style-type: none"> • The approach for nuclear and large-scale hydro resources that are based on long-term strategic views that capture more than just the forecasted electricity needs. <p>Programs</p> <ul style="list-style-type: none"> • A mechanism to sustain investments in assets, resources and businesses that can meet both electricity and non-electricity objectives <p>Our comments below are provided within this context and considerate of the information presented by the IESO in previous RA engagements.</p> <p>1. Timelines (Slide 10)</p> <p>Timelines for both the RA Framework and the AAR should include</p> <ul style="list-style-type: none"> - Notice Period – the length of time in advance asset owners/developers are provided with the notice of the intent to acquire or re-acquire the assets - Forward Period - the length of time in advance of the reacquisition that asset owners/developers are

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	<p>provided with the details of the program and the opportunity to qualify</p> <ul style="list-style-type: none"> - Commitment Period - the length of time for which the assets are acquired/reacquired <p>2. Procurement Mechanisms (Slide 11)</p> <ul style="list-style-type: none"> - Both Policy and Programs are absent from the RA Framework - Mechanism-Specific Documents should incorporate Policy and Program elements <p>3. Commitment Details (Slide 12)</p> <ul style="list-style-type: none"> - The RA Framework should include Policy and Programs - Mechanism-Specific Documents should incorporate Policy and Programs <p>4. Products and Services (Slide 13)</p> <ul style="list-style-type: none"> - The RA Framework should include Policy and Programs <p>5. Eligibility (Slide 14)</p> <ul style="list-style-type: none"> - Bilateral contracting should be expanded to “an existing and available resource or group of resources” - Mechanism-Specific Documents should incorporate Policy and Programs <p>6. Transition/Bridging Mechanisms (Slide 15)</p> <ul style="list-style-type: none"> - Resources with expiring or expired contracts may also be re-acquired and/or bridged through other mechanisms (e.g. Policy/Programs/Bi-laterals) - Several assets have contracts expiring prior to the 2026 RFP commitment - Several assets are not market participants - The AAR should clearly identify the timelines for contract expiration, translated into requirements, needs and target ranges for mechanisms <p>7. Governance & Decision Making (Slide 16)</p> <ul style="list-style-type: none"> - This theme is applicable to the AAR as well “LTEP may result in changes to IESO’s planning <u>and acquisition</u> activities.” <p>8. Programs (Slide 19)</p> <ul style="list-style-type: none"> - Historically, programs have also included resource re-acquisition (e.g. Hydroelectric Contract Initiative) - Programs should be explicitly included in both the AAR and Mechanism Specific Documents

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	<p>9. Policies (no slide)</p> <ul style="list-style-type: none"> - While the governance slide speaks to the LTEP, the theme of "Policy" should also be included in the Guide – "The approach for nuclear and large-scale hydro resources that are based on long-term strategic views that capture more than just the forecasted electricity needs."

Capacity Auction: Forward Guidance and Minimum Target Threshold

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<p>Stakeholders are invited to provide general feedback on the proposed approach for forward guidance and minimum target threshold</p>	

Transition to Qualified Capacity/UCAP

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<p>Will the initial qualified capacity proposals presented result in a UCAP value that is consistent with the qualified capacity design principles for the resource types considered? If not, what changes would you suggest? Please offer alternatives.</p>	
<p>Are the sources of data suggested as inputs into each UCAP formula appropriate? If not, please explain why and suggest alternatives.</p>	
<p>Are there any incorrect assumptions the IESO has included that may not be appropriate?</p>	

Topic	Feedback
Is there anything the IESO may not have considered that may contribute to the development of an accurate UCAP methodology?	
General Comments/Feedback	

UCAP Resource-Specific Meetings

Topic	Feedback
<p>Please indicate your interest in participating in these meetings sooner than June 18, if possible.</p> <p>Are bi-weekly meetings appropriate? What should the format be? How should attendance be managed?</p>	<p>The OWA will participate in the June 25th hydro-specific meeting.</p> <p>Meetings should be convened on a timeline that addresses stakeholder recommendations and IESO ability to respond. Bi-weekly would be a good start, but Fridays heading into the summer will be problematic.</p> <p>Attendance should be open to those impacted in the near and mid term</p>

General Comments / Feedback