Meeting Summary
UCAP Discussions – Dispatchable Hydro

Meeting date: June 25, 2021
Meeting time: 9:30 am
Meeting location: Microsoft Teams Meeting

Chair/Sponsor: Ryan King
Scribe: Nicole Kosonen

Informal Working Group Discussion

Purpose

A series of resource-specific UCAP discussions were hosted by the IESO in order to review in more detail and in an informal setting with stakeholders, initial proposals for resource-specific UCAP methodologies that were presented to stakeholders at the May 28, 2021 Resource Adequacy engagement webinar.

Attendees

Abdi Mohamed	Gene Capasso	Kelly Bertholet	Nicole Kosonen
Alvin Zhang	Hoda Youssef	Laura Zubyck	Paul Norris
AR	Iain Angus	Mark Hartland	Paulo Antunes
Bill Wilbur	Ismael El-Samahy	Michael Killeavy	Rahul Mittal
Dale Fitzgerald	Jeff Vidmar	Michael Mosco	Ron Medina
David Mitchell	Jennifer Xu	Mike Zajmalowski	Rose De Santis
Fahad Rashid	Jim Gartshore	Murray Wong	Ryan King
Garry Spence	Julien Wu	Natalia Perdomo	Stephen Somerville

Theme: Use of Historical Data

- IESO initially proposed using production data, but updated the proposal to use offer data.
- Planning Group currently uses offer and production data (much more than 5 years of data), but moving towards offer and flow rate data.
- For energy limited hydro, participants commented that offer data does not encapsulate the operability of the facility (i.e. resource might have 24 hours of offers, but operationally could only run for 1 of those hours).

- Concerns that historical data may not represent how a participant would bid in the future as a merchant, given different market rules / structures.
    - *Noted in discussion that IESO current expectation is that resources bid their true capability in real time.*
- Currently producers may have made offers based on efficient operating points, not necessarily representing their maximum capacity, so historical data will be limiting.
- If a facility is upgraded, there will be a lag in the data representing new, higher capacity of the facility.
- IESO may need to consider different approaches for different facility types (e.g. energy limited hydro versus large hydro).
- IESO may need to consider a hybrid of offer and production data.

Theme: 5 Year Average

- IESO to consider using a weighted, rolling average of 5 year data versus a straight, rolling average.
- If a weighted average is used, what weights should be assigned to each year?

Theme: Facility Testing or Audits

- Recommendation from participants to have resources submit testing, to be used instead of or in combination with historical data.
- IESO could make resources buy back capacity if they underperform on a test.
- After the fact performance adjustments are not ideal as it does not enable IESO to provide the best pricing signals to the market during auction clearing. After the fact testing also increases risk to IESO that resources will not be capable of delivering their capacity. Qualification should be done beforehand.
- Participants clarified that testing data (or "audits") could be provided before the auction. Test data from most recent relevant period would be provided (e.g. winter tests for winter auction).
- In New England market, participants submit tests from previous year.
- How would test data account for variations in high/low water years, seasonality, water flows, etc?

Theme: Outage Rates

- Recommendation to use outage data like MISO, basically develop an EFORd for hydro.
- IESO could combine testing and outage data.
- Would planned outages be included in outage calculation?

Theme: 4 Consecutive Hours

- Recommendation to consider 4 hours within availability window, rather than 4 consecutive hours (unit may contribute to 2 peaks in the same day, be energy limited after 2 hours but then be able to offer again within window).

Other

- Process for challenging UCAP if participant considers it unfair?
- How will seasonality be captured? Different UCAPs? Or just use an annual UCAP?
- MISO moving towards availability capacity (ACAP) methodology (weighting of certain hours of the year?)
- Recommendation to consider both capability (testing) and dependability (historical production data)