

IESO Engagement

From: Brandon Kelly
Sent: July 8, 2021 1:23 PM
To: IESO Engagement
Cc: Mike Zajmalowski
Subject: Follow-up: IESO Resource-Specific UCAP Discussions

Hello IESO Engagement Team,

I'm submitting the following comments with respect to the IESO's June 28th UCAP discussion for Demand Response resources.

At the meeting, the IESO suggested that it may rely on test activation data for the purposes of determining the UCAP for HDR resources. The IESO also noted that, "a retest could be requested if unusual circumstances had an impact during the initial test." In effect, if the first test does not go well on account of undefined "unusual circumstances", the market participant may request a second test to achieve a better response and higher UCAP.

This discretionary retesting seems at odds with the purpose of establishing UCAP, which is to determine the capacity that can be reasonably relied upon at any given time within the delivery window, unusual circumstances notwithstanding. As the IESO put it, the UCAP framework should "ensure resources are capable of delivering their capacity obligation in real-time, and that resources are compensated consistent with the reliability value they provide." Indeed, unusual circumstances may arise in real-time when these resources are needed.

It's worth noting that there are no analogous second chances for other resource types when determining their UCAP. For instance, dispatchable thermal generators do not have the option to have a forced outage stricken from its EFORD calculation if that outage was the result of unusual circumstances. The option to stricken poor performance puts HDR resources at an unfair advantage.

The IESO may consider a more proactive communication plan with HDR resources regarding possible activation to limit unusual circumstances and alleviate the perceived need for a retest.

If the IESO maintains that a retest is appropriate, it should clearly define "unusual circumstances" and the circumstances under which a retest is permitted. Furthermore, it should use the average of the two tests to establish the resource's UCAP, as this is a better reflection of what the IESO can reasonably rely upon receiving if the resource were to be called upon during the delivery window.

Thank you for your consideration,

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