

# Feedback Form

## Resource Adequacy – September 23, 2021

### Feedback Provided by:

- Name: Brandon Kelly
- Title: Manager, Regulatory & Market Affairs
- Organization: Northland Power Inc.
- Email: [REDACTED]
- Date: October 13, 2021

To promote transparency, feedback submitted will be posted on the Resource Adequacy webpage unless otherwise requested by the sender.

- Following the September 23, 2021 Resource Adequacy webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the following discussed items. Background information related to these feedback requests can be found in the presentation, which can be accessed from the [engagement web page](#).
- **Please submit feedback to [engagement@ieso.ca](mailto:engagement@ieso.ca) by October 14, 2021.** If you wish to provide confidential feedback, please mark the document "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

### Capacity Auction

Topic	Feedback
General comments and feedback on Next Steps and Timelines	Click or tap here to enter text.

## HDR Baseline Methodology

Topic	Feedback
Is there additional segmentation or sensitivity analysis the IESO should consider?	Click or tap here to enter text.
Do stakeholders feel there is strong alignment between the results presented and the implications the IESO has identified?	Click or tap here to enter text.
Are there additional implications the IESO has not considered based on the preliminary results?	Click or tap here to enter text.
General comments and feedback	Click or tap here to enter text.

## Medium-Term RFP

Topic	Feedback
<p>What questions or feedback do you have on the Medium-Term RFP proposed design consideration on <b>Contract Design Considerations</b></p>	<p>Resources that are currently off contract have no revenue certainty between now and the commencement of the medium-term RFP obligation period in 2026. These resources are already enabled in the market and require no lead time to provide a reliable source of capacity. To ensure the availability of these resources for the upcoming mid-decade capacity shortfall, the IESO should consider offering medium-term commitments with flexible start dates and contract lengths, including earlier start-dates and longer contract lengths for resources that can provide capacity in a timelier manner.</p> <p>Regarding the proposed registration process, the IESO states that "Prospective proponents will submit a nominal fee in order to become Registered Proponents and the IESO will provide them with their Qualified Capacity (in UCAP) so that they can effectively structure their proposals in advance of proposal submission" Can the IESO explain what opportunities proponents will have to provide input regarding the reasonableness of the UCAP value that is provided. Can you confirm what dispute resolution process may be contemplated for organizations that don't agree with the UCAP values they are assigned?</p> <p>Will the IESO embed an escalation variable in the contract that addresses inflation, or will this risk be borne by the proponent? Given this is a difficult risk for suppliers to mitigate, the contract should include an escalator for inflation.</p>

Topic	Feedback
<p>What questions or feedback do you have on the Medium-Term RFP proposed design consideration on <b>Performance Obligations</b></p>	<p>In the current Capacity Auction design, dispatchable resources are required to submit offers in the DA and RT markets during HE13 – HE21 in the summer period, and HE16 – HE21 in the winter period. Conversely, on slide 20 the IESO states that dispatchable resources will have a, “Must offer requirement where quantity of offers into the Day-Ahead Market for 5x16 hours”. The proposed obligation for the RFP does not align with the Capacity Auction obligation in terms of the daily obligation window. Can the IESO please justify the differences in treatment? Given that the post MRP DA market will create incentives for resources scheduled in DA to participate in RT, post-MRP performance obligations for both the Capacity Auction and medium-term RFP should be limited to the DA market only.</p> <p>With respect to the medium-term RFP’s non-performance charge, does IESO intend to implement the same Availability Assessment True-Up it’s proposing for the Capacity Auction?</p>
<p>What questions or feedback do you have on the Medium-Term RFP proposed design consideration on <b>Rated Criteria</b></p>	<p>In the IESO’s 2020 Annual Planning Outlook it identified that it needs to procure upwards of 3.8 GW of capacity east of FETT to meet reliability requirements during the 2026-2029 period that coincides with the delivery obligations for the medium-term RFP. The need for capacity east of FETT during this period is more than the total need for capacity in the rest of the province combined. Will the IESO’s rated criteria for Location include preferential rated criteria for resources located east of FETT?</p> <p>For the rated criteria associated with Operating Reserve, the IESO should delineate between resources that can provide 10-minute reserve products, and those that can only provide 30-minute reserve products. The system reliability value of 10-minute products is far greater than 30-minute products (as evidenced by NPCC requirements and OR performance history), and the rated criteria should reflect as much.</p>

Topic	Feedback
What questions or feedback do you have regarding considerations for <b>Uprates</b> that may be eligible in the Medium-Term RFP	Click or tap here to enter text.
What questions or feedback do you have on the Medium-Term RFP <b>UCAP approach</b>	Click or tap here to enter text.
General comments and feedback	<p>Through its RFP, the IESO has committed to procuring a standardized product: UCAP megawatts. Given this, it is unclear why the IESO has chosen to adopt a pay-as-bid RFP structure, as opposed to a structure in which all selected resources receive the market clearing price. The latter structure is employed in other markets with standardized products, such as the IESO's energy, operating reserve, and capacity markets. This structure incents suppliers to bid in a manner consistent with the marginal cost of their product; whereas pay-as-bid structures can incent bids above cost that lead to inefficient outcomes. Why has the IESO chosen a pay-as-bid RFP structure over a market clearing price structure?</p>

## General Comments/Feedback

- Click or tap here to enter text.