Stakeholder Feedback and IESO Response

Resource Adequacy Engagement, Hourly Demand Response – December 15, 2021 Webinar

HDR Contributor Outage Management – General comments and feedback

Feedback	IESO Response
Stakeholders would like IESO to prioritize implementing a solution that would address impacts of forced contributor outages on performance assessment and resource settlement. Stakeholders have long-advocated for similar treatment between HDR resources and other Capacity Auction resources that have the ability to schedule outages without impact on their performance.	The IESO plans to discuss further with stakeholders. For clarity, outages do impact how availability and capacity performance is assessed for other capacity auction resources.

HDR Baseline Methodology Review – General comments and feedback

Feedback	IESO Response
Stakeholders assert that a contributor-level application of the baseline is more accurate than a resource-level application because it limits the extent to which the in-day adjustment can lower the baseline on the day of an event. With the resource-level application, a large contributor on outage can incorrectly discount the quantity of curtailment the other contributors in the portfolio deliver to the system during the activation.	The intent of the baseline is to estimate load in the absence of an activation. The HDR baseline review conclusively demonstrates that adjusted baselines more accurately predict load in the absence of an activation, and that methods that limit the magnitude of the in-day adjustment reduce accuracy. The IESO and AEMA representatives have pursued additional discussion to clarify how IESO defines capacity and how HDR performance assessment is aligned with how HDR resources participate in the energy market to satisfy a capacity obligations.
Stakeholders disagree with the IESO's position that the baseline should represent what the resource would have been consuming in absence of the activation. While this could be an indication of the energy being consumed by the resource, it does not indicate the capacity value, which is the intent of the baseline calculation. IESO demand forecasts measure demand over many hours, not a specific point in time. Further to this, stakeholders do not think the analysis for the accuracy of the baseline calculation was aligned to the capacity product being procured from demand response and other resources through the Capacity Auction. Stakeholders assert that capacity and energy are not interchangeable products, especially when they relate to demand response. The "must offer" requirement for HDR resources is for energy, and this fact should be reflected in the Market Rules and Manuals.	The IESO's position that a baseline should represent load in the absence of an activation is consistent with other North American system operators, and the North American Energy Standards Board's baseline definition ("a baseline is an estimate of the electricity that would have been consumed by a demand resource in the absence of a Demand Response Event"). The IESO defines capacity as a resource's maximum ability to provide energy or reduce load when required, and further defines the Capacity Auction capacity product as an energy market must-offer/bid requirement, obligating resources to make energy/curtailment available for real-time balancing during specified hours. The IESO's current baseline methodology and application of that methodology is aligned with these definitions. The IESO and AEMA representatives have pursued additional discussion to clarify how IESO defines capacity and how HDR performance assessment is aligned with how HDR resources participate in energy market to satisfy their capacity obligations.