

Feedback Form

2022 Capacity Auction Enhancements - Implementation – February 24, 2022

Feedback Provided by:

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Date: March 17, 2022

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

- Following the February 24, 2022 Resource Adequacy webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the following items: **Capacity Auction proposed Market Rule amendments and draft Market Manuals for the 2022 Capacity Auction**
- 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 by March 17, 2022.** 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.

Market Rules

Market Rule Chapter	Title	Sub-section	Feedback
Ch. 7	System Operations and Physical Markets		Click or tap here to enter text.
Ch. 9	Settlements and Billing		Click or tap here to enter text.
Ch. 11	Definitions		Click or tap here to enter text.

Market Manuals

Market Manual	Title	Sub-section	Feedback
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12	Capacity Auctions	5.3 Testing of Capacity Auction Resources	<p>Capacity Auction Capacity Tests:</p> <p>In the February 2022 document "2022 Capacity Auction Design Enhancements", the IESO states the following with regards to the Capacity Auction Capacity Test:</p> <p><i>"As this will be an 'in-market' activation, resources will not be eligible for any out-of-market payments."</i></p> <p>Please clarify the meaning of "out-of-market payments". Will the IESO withhold payments such as Congestion Management Settlement Credits when a resource participates in the Capacity Auction Capacity Test?</p> <p>In the absence of any out-of-market payments, are participants expected to rely on real-time energy market revenue to cover the cost of fulfilling this testing obligation?</p> <p>Section 5.3 states that <i>"The IESO will determine a 5-business day window...within which applicable capacity auction resources will be required to ensure they are scheduled in the energy market..."</i></p> <p>Without any out-of-market payments to cover the cost of being scheduled in the energy market, the timing of the 5-business day window becomes important, since participants' ability to recover their cost is sensitive to the market prices during the window. In order to comply with the test, participants may be forced to offer their generation at a price lower than their cost. A participant whose Capacity Auction Capacity Test window is scheduled during a period of relatively low market prices would be able to cover less of their cost than a participant whose window is scheduled during a period of high prices.</p>
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Market Manual	Title	Sub-section	Feedback
			OPG suggests that participants should be compensated based on their actual cost of compliance for any testing associated with the Capacity Auction.
4.2	Submission of Dispatch Data in the Real Time Energy and Operating Reserve Markets		Click or tap here to enter text.
4.3	Real Time Scheduling of the Physical Markets		Click or tap here to enter text.
5.5	Physical Markets Settlement Statements		Click or tap here to enter text.
	IESO Charge Types and Equations		Click or tap here to enter text.
7.3	Outage Management		Click or tap here to enter text.

General Comments/Feedback

Click or tap here to enter text.