

# Memorandum

**To:** Technical Panel

**From:** Adam Cumming

**Date:** June 22, 2021

**Re:** MR-00466 – Capacity Auction December 2021

In preparation for the December 2021 Capacity Auction, the IESO is proposing to amend the market rules to add additional clarity and make minor clerical corrections to the sections of the market rules related to the Capacity Auction.

The IESO's Capacity Auction has replaced the former Demand Response Auction to enable competition between additional resource types. Capacity auctions help meet Ontario's reliability needs in a cost effective manner while allowing the IESO to adjust to changing system needs. Additional information on the Capacity Auction can be found on the IESO's Capacity Auction [webpage](#).

## Stakeholder Feedback

As part of the Resource Adequacy Engagement the IESO has held a series of stakeholder sessions to discuss the evolution of the Capacity Auction. Materials from these sessions including presentations and stakeholder feedback is available on the [Resource Adequacy Engagement webpage](#).

As part of the April 22<sup>nd</sup> engagement session, the IESO presented the accompanying market rule amendment proposal (MR-00466 – December 2021 Capacity Auction) and asked stakeholders to provide comments back to the IESO by May 13<sup>th</sup>.

Manitoba Hydro proposed the addition of the word "allocated" to the definition of *capacity auction eligible import resource*. The IESO agreed that this would clarify the definition, by making it clear that it only applies to the capacity that is specifically allocated to the capacity auction and that the definition is not referring to all capacity of the boundary entity. The

proposed market rule amendment has been update to reflect this by adding the word “allocated” to the definition.

### **Panel Action and Next Steps**

The IESO recommends that the Technical Panel vote to post the proposed market rule amendment MR-00466 for stakeholder review and comment for a period of two weeks, ending on July 13, 2021.

### **Accompanying Materials**

- Presentation to Technical Panel dated June 29, 2021
- Market Rule Amendment Proposal Form - MR-00466

Adam Cumming