

Memorandum

To: Technical Panel

From: Adam Cumming

Date: July 9, 2024

Re: MR-00482-R00 – 2024 Capacity Auction Market Rule Corrections

Market Rule Amendment MR-00477-R00 (2023 Capacity Auction Enhancements – Stream 2) introduced the Performance Adjustment Factor (PAF) into the market rules, and consolidated obligations that had previously been spread across the market rules, market manuals and the Charge Types and Equations list into Chapter 9 of the market rules.

During implementation of the enhancements, errors were identified in the market rule amendments. First, the PAF was unintentionally omitted from the cleared ICAP formula in Chapter 7. Additionally, in Chapter 9 Section 4.7J.2.1A, it was identified that the current wording could be interpreted to mean that the Capacity Auction Availability Charge only applies when a standby notice is issued for hourly demand response resources. This was not the intent, and it is not consistent with the design and application of the Capacity Auction Availability Charge. This amendment seeks to clarify the language to ensure that it aligns with the design and application of the Capacity Auction Availability Charge. Additional clarifying language has also been added to Chapter 9 Section 4.7J.2.1B to specify the applicable time period for each applicable resource type.

Stakeholder Feedback

At the June 11, 2024 Technical Panel meeting, the Technical Panel voted to post the proposed market rule amendments for stakeholder comment. The proposed market rule amendments were posted for two weeks and a notice was included in the IESO Bulletin. No stakeholder feedback was received during this period.

Prior to the June 11, 2024 Technical Panel meeting, one Panel member raised a question on how resources that do not receive an availability de-rating factor during the capacity qualification will be handled for the cleared ICAP calculation as the formula includes the availability de-rating factor for all resources. In response to this feedback the IESO is proposing to add the following sub-section with language clarifying how these resources will be treated:

- 18.8.2.1.1 For the purposes of calculating a *cleared ICAP* where a *capacity auction resource* is not subject to an *availability de-rating factor* as per section 18.2A.1, an *availability de-rating factor* of 1 shall be applied.

All previous stakeholder engagement materials can be found on the [Capacity Auction Enhancements webpage](#).

Panel Action and Next Steps

The IESO recommends that the Technical Panel vote to recommend the proposed Market Rule Amendment MR-00482-R00 to the IESO Board of Directors for consideration.

Accompanying Materials

- Market Rule Amendment Proposal Form - MR-00482-R00