

# Memorandum

**To:** Technical Panel

**From:** Adam Cumming

**Date:** July 8, 2025

**Re:** MR-00483-R00 – 2025 Capacity Auction Enhancements

In the IESO's Resource Adequacy Framework (the "Framework"), the Capacity Auction serves as the short-term balancing mechanism, helping to secure capacity needed to meet Ontario's resource adequacy needs. The Capacity Auction enables participation from a diverse range of resources that compete annually to be available for two six-month obligation periods (summer and winter).

The goals of 2025 Capacity Auction Enhancements are to reduce the occurrence of unfulfilled commitments. The following changes are being proposed:

- Obligation transfers will be allowed to occur between all resource types.
- The buy-out charge will increase from ~30% to ~50% of the total capacity obligation value.
- Removal of the option for a participant to only forfeit their deposit if mandatory registration requirements are not met prior to the start of the obligation period. Instead, this change requires that a participant must buy-out of the obligation. This change will ensure that all instances of unfulfilled commitments are subject to the buy-out charge process.

Additionally, the 2025 Capacity Auction Enhancements will move system-backed capacity import resources to the self-scheduling capacity test framework which was previously implemented for other resource types as part of the 2023 Capacity Auction Enhancements.

### **Stakeholder Feedback**

At the June 10, 2025 Technical Panel meeting, the technical panel voted to post market rule amendment MR-00483-R00 for stakeholder comment. The proposed market rule amendment was posted on the IESO's website and a notification was placed in the IESO Bulletin requesting stakeholder feedback by June 24, 2025. No feedback was received in response to the posting. 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-00483-R00 to the IESO Board of Directors for consideration.

### **Accompanying Materials**

- Market Rules Amendment Proposal Form - MR-00483-R00