

# Ontario Capacity Auction

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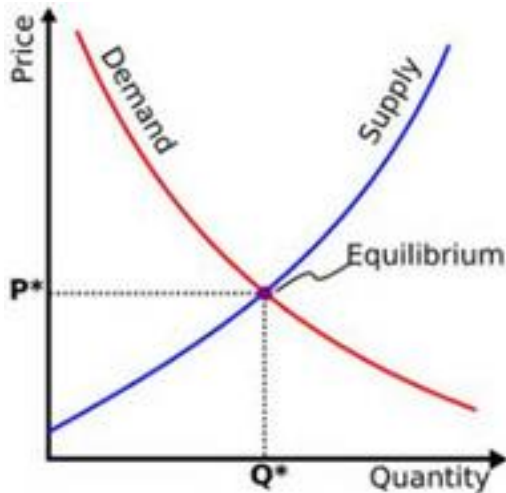
April 29, 2015

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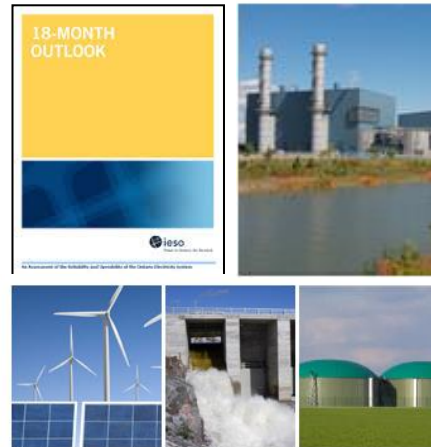
# What We Do

*The Independent Electricity System Operator (IESO) works at the heart of Ontario's power system*

**Market Administrator**



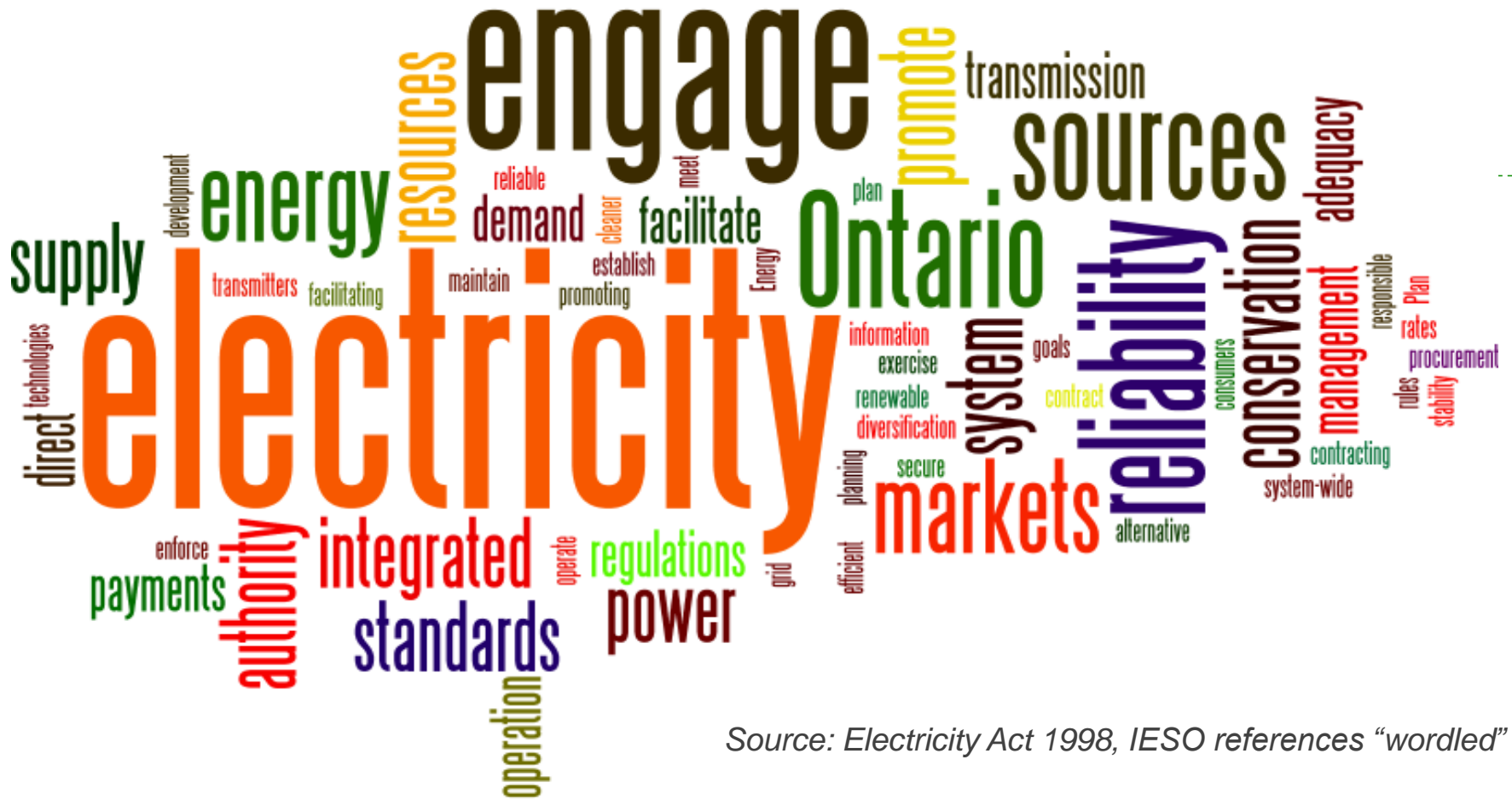
**Planning and Procurement**



**Conservation First**

**saveONenergy<sup>™</sup>**

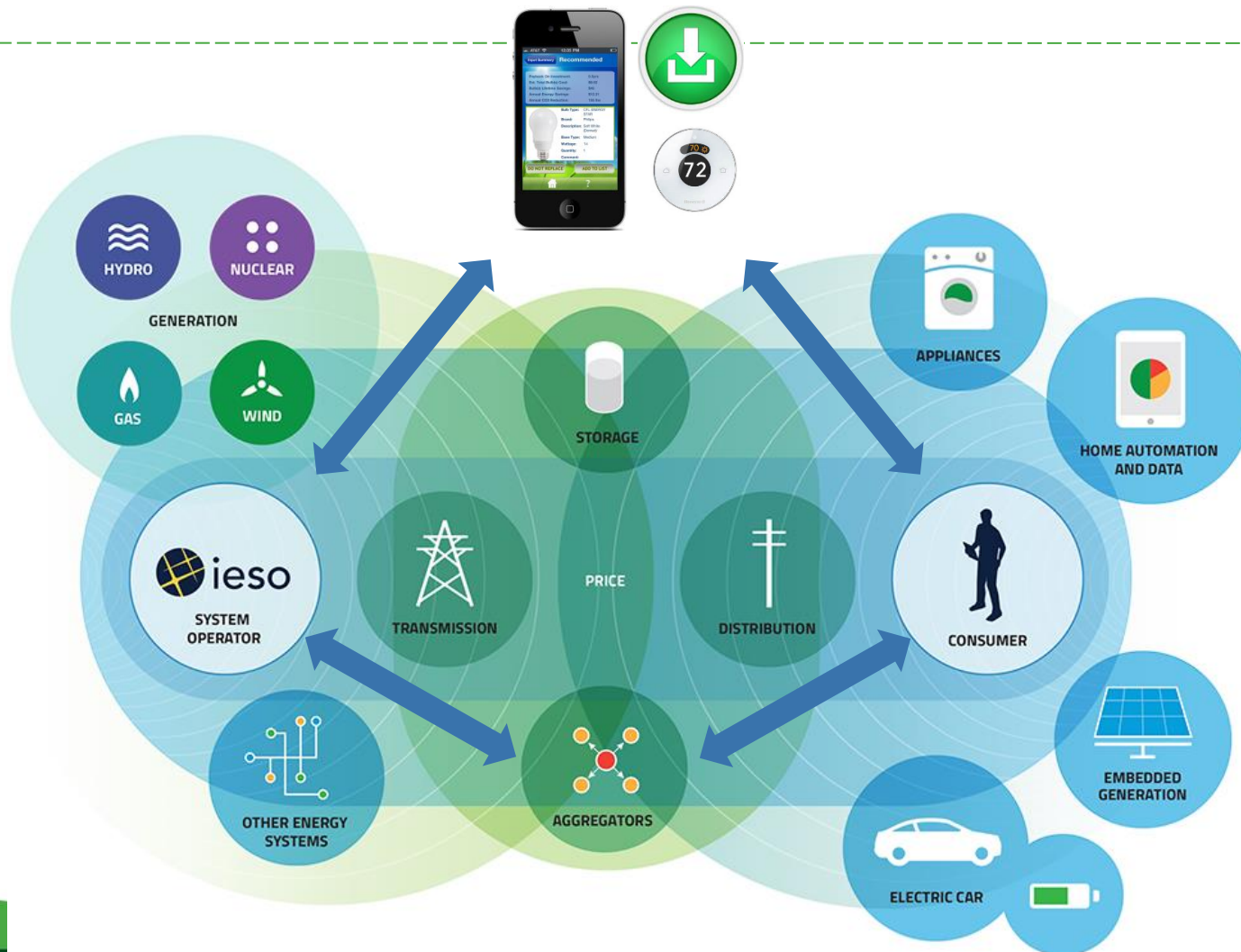
*Conservation Fund*



Source: Electricity Act 1998, IESO references “wordled”

*Meet our objectives using all available mechanisms - competitive procurements, negotiated contracts, open market mechanisms...*

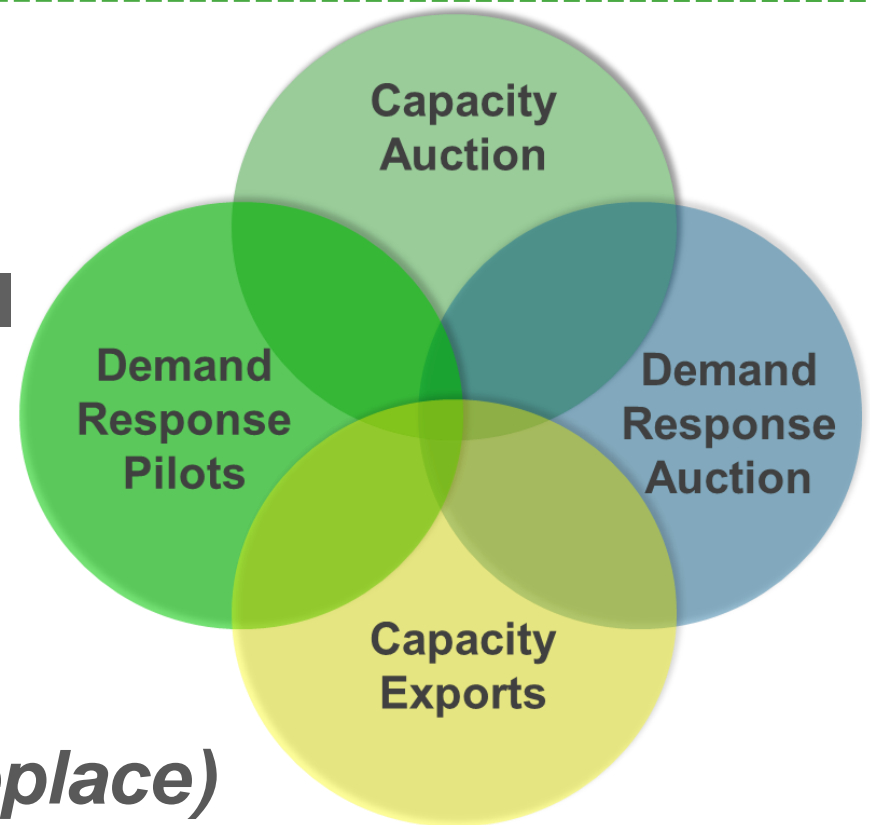
# Technology Opening New Opportunities



# Developing Efficient Market-Based Mechanisms

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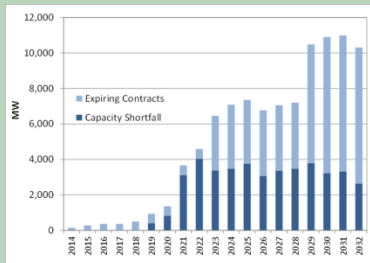
- **Transparent price signals**
- **Equal opportunity for all**
- **Encourage competition**
- **Drive innovation**



*To work alongside (not replace) existing procurement and market mechanisms*

# Design Proposal: How It Would Work

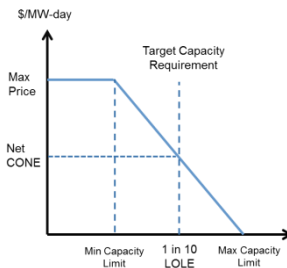
## Pre-Auction Period



- IESO determine incremental capacity needs
- Capacity resources complete eligibility requirements and register for the auction



## Base Auction



- Conduct auction for two six month commitment periods
- Zonal based
- Use a downward sloping Demand Curve



## Forward Period



- Look out 3 to 4 Years called a “Forward Period”
- Undertake Rebalancing Auctions



## Commitment Period

Summer Season (6 months)	Winter Season (6 months)
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- Must Offer into the wholesale energy market in all hours
- Performance only assessed during peak hours

**Targeting: Incremental MWs for future reliability**  
**Not baseload, Not renewables**

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# Thank You!

Any questions, please contact:

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647 515 6427

## More information

<http://www.ieso.ca/Pages/Ontario's-Power-System/Reliability-Through-Markets/Capacity-Auctions.aspx>