

IESO RESPONSES TO SCHOOL ENERGY COALITION SUPPLEMENTAL INTERROGATORY

SEC INTERROGATORY 7

INTERROGATORY

Reference:

IESO Evidence, para. 1

Question:

Is there a forecast capacity gap before the summer of 2023? If so, please provide details.

RESPONSE

Yes. Refer to IESO Evidence, Tab 15 “Technical Planning Conference Presentation September 13, 2018”, slide 51. See row on “Summer Adequacy: Reference Outlook Without Existing Resources” :



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SEC INTERROGATORY 8

INTERROGATORY

Reference:

IESO Evidence, para. 14

Question:

Did the IESO undertake a business case or similar analysis created for the TCA? If so, please provide a copy.

RESPONSE

The IESO assessed the costs and benefits of the TCA. At the time of the assessment, the project was expected to deliver a conservatively calculated net benefit of approximately \$180M compared to traditional contract procurement over 5 years of the TCA (p. 7). A copy of the assessment was included in the *License Filings*, and is available at:

<http://www.rds.oeb.ca/HPECMWebDrawer/Record/654291/File/document>

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SEC INTERROGATORY 9

INTERROGATORY 9

Reference:

Question:

SEC understands that the IESO plans to amend the market rules between now and 2023 to allow for other resources to take part in the TCA. With the exception of the necessary amendments for that purpose, what other market rules amendments does the IESO believe will be required before it undertakes the auction to fulfill the 2023 forecast capacity gap?

RESPONSE

The IESO has not determined what market rule amendments may be required between now and 2023 beyond those required to enable other resources to participate in the capacity auction for the June 2020 and December 2020 auctions. The IESO is currently engaging with stakeholders on the evolution of the capacity auction to fulfill the 2023 forecast capacity gap. The content of the subsequent market rules will be informed by the learnings gained through the preceding auctions.

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SEC INTERROGATORY 10

INTERROGATORY

Reference:

Question:

Do the Market Rules require the IESO to undertake the TCA (or previous DR Auction), or do they simply provide the option for the IESO to decide to undertake the TCA (or previous DR Auction)?

RESPONSE

The Market Rules require the IESO to conduct capacity auctions. See Market Rules, Chapter 7, section 18.5.1.

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SEC INTERROGATORY 11

INTERROGATORY

Reference:

IESO Evidence, para. 77

Question:

Using the most recent DR Auction clearance price as a proxy the TCA auction clearance prices, please provide an estimate of the total amount expected to be paid through the TCA.

RESPONSE

The IESO does not believe it is appropriate to use the most recent DR Auction clearing price to determine the value of the upcoming TCA.

However the IESO can provide the total estimated cost of the DR Auction conducted in December, 2018, which will be approximately \$44M. The total amount of capacity cleared was:

1. Summer Commitment Period (May 01, 2019 - October 31, 2019) – 818.4 MW
2. Winter Commitment Period (November 01, 2019 - April 30, 2020) – 854.2 MW

The estimate does not consider the actual performance of the DR resources.



Demand Response Auction: Post-Auction Summary Report

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DR Auction Results

Zone	Summer Commitment Period (May 01, 2019 - Oct 31, 2019)			Winter Commitment Period (Nov 01, 2019 - Apr 30, 2020)		
	Physical DR Cleared (MW)	Virtual DR Cleared (MW)	Auction Clearing Price (\$/MW-day)	Physical DR Cleared (MW)	Virtual DR Cleared (MW)	Auction Clearing Price (\$/MW-day)
EAST	-	64.1	234.64	-	80.7	200
ESSA	-	23	234.64	-	19	200
NIAGARA	8	20.2	234.64	8	20.2	200
NORTHEAST	40	24.8	159.93	40	24.8	113.77
NORTHWEST	34.2	-	234.64	31.5	-	200
OTTAWA	25	27.5	234.64	25	26.5	200
SOUTHWEST	2.4	142.3	234.64	2.4	189.9	200
TORONTO	72	165.4	234.64	72	203.7	200
WEST	-	54.1	234.64	-	66.8	200
Ontario Total	181.6	521.4		178.9	631.6	

DR Auction Results - Participant Details

ZONE	Demand Response Auction Participant	Summer Commitment Period (May 01, 2019 - Oct 31, 2019)	Winter Commitment Period (Nov 01, 2019 - Apr 30, 2020)
		Cleared DR (MW)	Cleared DR (MW)
EAST	DIRECT ENERGY MARKETING LIMITED	0	0
	ENEL X CANADA LTD.	17.8	30
	GC PROJECT LP	-	0
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	4.9	9.5
	NRSTOR C&I L.P.	-	0
	RODAN ENERGY SOLUTIONS INC	41.4	38.4
	VOLTUS ENERGY CANADA LTD	0	2.8
ESSA	CPOWER ENERGY MANAGEMENT CORPORATION	0	0
	ENEL X CANADA LTD.	11.2	5.5
	GC PROJECT LP	2.8	2.5
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	2	2
	RODAN ENERGY SOLUTIONS INC	7	8
	VOLTUS ENERGY CANADA LTD	-	1
NIAGARA	DIRECT ENERGY MARKETING LIMITED	0	0
	ENEL X CANADA LTD.	18.7	17.1
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	2.5	4.1
	NRSTOR C&I L.P.	-	0
	RODAN ENERGY SOLUTIONS INC	6	6
	VOLTUS ENERGY CANADA LTD	1	1
NORTHEAST	CPOWER ENERGY MANAGEMENT CORPORATION	1	1
	ENEL X CANADA LTD.	1	1
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	0	0
	RODAN ENERGY SOLUTIONS INC	22.8	22.8
	TEMPEC ENTERPRISES INC.	40	40
NORTHWEST	ENEL X CANADA LTD.	6.2	3.5
	RESOLUTE FP CANADA INC.	28	28
OTTAWA	ENEL X CANADA LTD.	5.5	5.4
	GC PROJECT LP	1.6	1.4
	IVACO ROLLING MILLS 2004 L.P.	25	25
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	1.5	0
	RODAN ENERGY SOLUTIONS INC	17.9	17.7
	VOLTUS ENERGY CANADA LTD	1	2
SOUTHWEST	CPOWER ENERGY MANAGEMENT CORPORATION	0	1.4
	DIRECT ENERGY MARKETING LIMITED	2.2	0
	ENEL X CANADA LTD.	39.5	45
	GC PROJECT LP	3.3	2.8
	GERDAU AMERISTEEL CORPORATION - CAMBRIDGE	2.4	2.4
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	41.8	42.7
	NRSTOR C&I L.P.	0	1.4
RODAN ENERGY SOLUTIONS INC	49	74.2	
	VOLTUS ENERGY CANADA LTD	6.5	22.4
TORONTO	CPOWER ENERGY MANAGEMENT CORPORATION	0	1
	DIRECT ENERGY MARKETING LIMITED	1	1
	ENEL X CANADA LTD.	48.5	58.7
	GC PROJECT LP	8	6.9

	GERDAU AMERISTEEL CORPORATION	72	72
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	38.5	48.1
	NRSTOR C&I L.P.	0	1
	PEAK POWER INC.	-	0
	RODAN ENERGY SOLUTIONS INC	64.5	74.6
	VOLTUS ENERGY CANADA LTD	4.9	12.4
WEST	DIRECT ENERGY MARKETING LIMITED	0	0
	ENEL X CANADA LTD.	15.9	22.2
	GC PROJECT LP	3.3	2.7
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	5.4	2.7
	NRSTOR C&I L.P.	-	0
	RODAN ENERGY SOLUTIONS INC	18.1	26
	VOLTUS ENERGY CANADA LTD	11.4	13.2

DR Qualified Capacity - Participant Details

ZONE	Demand Response Auction Participant	Summer Commitment Period (May 01, 2019 - Oct 31, 2019)			Winter Commitment Period (Nov 01, 2019 - Apr 30, 2020)		
		Total DR Qualified (MW)	Surplus Total DR Qualified (MW)	Surplus Virtual DR Qualified (MW)	Total DR Qualified (MW)	Surplus Total DR Qualified (MW)	Surplus Virtual DR Qualified (MW)
BRUCE	CPOWER ENERGY MANAGEMENT CORPORATION	1	1	1	1	1	1
	ENEL X CANADA LTD.	5	5	5	5	5	5
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	5	5	5	5	5	5
	RODAN ENERGY SOLUTIONS INC	10	10	10	10	10	10
EAST	CPOWER ENERGY MANAGEMENT CORPORATION	12	12	12	12	12	12
	DIRECT ENERGY MARKETING LIMITED	5	5	5	5	5	5
	ENEL X CANADA LTD.	39	21.2	21.2	44	14	14
	GC PROJECT LP	1.5	1.5	1.5	1.2	1.2	1.2
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	15	10.1	10.1	20	10.5	10.5
	NRSTOR C&I L.P.	0	0	0	1.2	1.2	1.2
	RODAN ENERGY SOLUTIONS INC	50.4	9	9	38.4	0	0
VOLTUS ENERGY CANADA LTD	10	10	10	10	7.2	7.2	
ESSA	ALECTRA UTILITIES CORPORATION	3	3	3	0	0	0
	AMP SOLAR GROUP INC.	4.9	4.9	4.9	4.9	4.9	4.9
	CPOWER ENERGY MANAGEMENT CORPORATION	2	2	2	1	1	1
	ENEL X CANADA LTD.	18	6.8	6.8	20	14.5	14.5
	ENERGYHUB CANADA ULC	1.5	1.5	1.5	0	0	0
	GC PROJECT LP	3.5	0.7	0.7	2.9	0.4	0.4
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	10	8	8	10	8	8
	NRSTOR C&I L.P.	0	0	0	0.4	0.4	0.4
RODAN ENERGY SOLUTIONS INC	11.1	4.1	4.1	11.1	3.1	3.1	
VOLTUS ENERGY CANADA LTD	5.5	5.5	5.5	5.5	4.5	4.5	
NIAGARA	CPOWER ENERGY MANAGEMENT CORPORATION	1	1	1	1	1	1
	DIRECT ENERGY MARKETING LIMITED	5	5	5	5	5	5
	ENEL X CANADA LTD.	30	11.3	9.5	30	12.9	11.1
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	15	12.5	12.5	15	10.9	10.9
	NRSTOR C&I L.P.	0	0	0	1.6	1.6	1.6
	RODAN ENERGY SOLUTIONS INC	17.3	11.3	7.3	13	7	3
VOLTUS ENERGY CANADA LTD	8.6	7.6	7.6	8.6	7.6	7.6	
NORTHEAST	CPOWER ENERGY MANAGEMENT CORPORATION	5	4	4	5	4	4
	ENEL X CANADA LTD.	5	4	4	10	9	9
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	20	20	20	20	20	20
	RODAN ENERGY SOLUTIONS INC	35.6	12.8	12.8	35.6	12.8	12.8
	TEMPEC ENTERPRISES INC.	40	0	0	40	0	0
VOLTUS ENERGY CANADA LTD	8	8	8	8	8	8	
NORTHWEST	CPOWER ENERGY MANAGEMENT CORPORATION	1	1	1	1	1	1
	ENEL X CANADA LTD.	10	3.8	2.1	10	6.5	2.1
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	15	15	2.1	15	15	2.1
	RESOLUTE FP CANADA INC.	29	1	0	29	1	0
	RODAN ENERGY SOLUTIONS INC	5	5	0	5	5	0
VOLTUS ENERGY CANADA LTD	2.1	2.1	2.1	2.1	2.1	2.1	
OTTAWA	CPOWER ENERGY MANAGEMENT CORPORATION	3	3	3	2	2	2
	ENEL X CANADA LTD.	10	4.5	4.5	10	4.6	4.6
	GC PROJECT LP	4.1	2.5	2.5	3.4	2	2
	IVACO ROLLING MILLS 2004 L.P.	25	0	0	25	0	0
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	10	8.5	8.5	10	10	10
	RODAN ENERGY SOLUTIONS INC	21.8	3.9	3.9	30	12.3	12.3
VOLTUS ENERGY CANADA LTD	6.4	5.4	5.4	6.4	4.4	4.4	
SOUTHWEST	ALECTRA UTILITIES CORPORATION	3	3	3	0	0	0
	AMP SOLAR GROUP INC.	0	0	0	2.1	2.1	2.1
	CPOWER ENERGY MANAGEMENT CORPORATION	16	16	16	15	13.6	13.6

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	DIRECT ENERGY MARKETING LIMITED	10	7.8	7.8	10	10	10
	ENEL X CANADA LTD.	78	38.5	38.5	88	43	43
	ENERGYHUB CANADA ULC	1.5	1.5	1.5	0	0	0
	GC PROJECT LP	9.6	6.3	6.3	7.8	5	5
	GERDAU AMERISTEEL CORPORATION - CAMBRIDGE	2.4	0	0	2.4	0	0
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	135	93.2	93.2	135	92.3	92.3
	NRSTOR C&I L.P.	1.4	1.4	1.4	10.7	9.3	9.3
	RODAN ENERGY SOLUTIONS INC	75.9	26.9	26.9	79.5	5.3	5.3
	VOLTUS ENERGY CANADA LTD	53.7	47.2	47.2	53.7	31.3	31.3
TORONTO	ALECTRA UTILITIES CORPORATION	10	10	10	0	0	0
	AMP SOLAR GROUP INC.	5.3	5.3	2.1	5.3	5.3	2.1
	CPOWER ENERGY MANAGEMENT CORPORATION	12	12	12	12	11	11
	DIRECT ENERGY MARKETING LIMITED	22	21	21	22	21	21
	ENEL X CANADA LTD.	80	31.5	31.5	90	31.3	31.3
	ENERGYHUB CANADA ULC	1.5	1.5	1.5	0	0	0
	GC PROJECT LP	14.1	6.1	6.1	11.4	4.5	4.5
	GERDAU AMERISTEEL CORPORATION	72	0	0	72	0	0
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	90	51.5	51.5	90	41.9	41.9
	NRSTOR C&I L.P.	1	1	1	7.1	6.1	6.1
	OHMCONNECT, INC	3	3	3	3	3	3
	PEAK POWER INC.	0	0	0	2	2	2
	RODAN ENERGY SOLUTIONS INC	79.8	15.3	15.3	75	0.4	0.4
	TORONTO HYDRO-ELECTRIC SYSTEM LIMITED	10	10	10	0	0	0
	VOLTUS ENERGY CANADA LTD	35.4	30.5	30.5	35.4	23	23
WEST	CPOWER ENERGY MANAGEMENT CORPORATION	6	6	6	6	6	6
	DIRECT ENERGY MARKETING LIMITED	10	10	10	10	10	10
	ENEL X CANADA LTD.	30	14.1	14.1	34	11.8	11.8
	GC PROJECT LP	4.7	1.4	1.4	3.8	1.1	1.1
	NRG CURTAILMENT SOLUTIONS CANADA, INC.	10	4.6	4.6	10	7.3	7.3
	NRSTOR C&I L.P.	0	0	0	1.2	1.2	1.2
	RODAN ENERGY SOLUTIONS INC	30.7	12.6	12.6	33.6	7.6	7.6
	VOLTUS ENERGY CANADA LTD	20.9	9.5	9.5	20.9	7.7	7.7

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SEC INTERROGATORY 12

INTERROGATORY

Reference:

IESO Evidence, para. 92(b)

Question:

The IESO has provided its view on its expectation regarding the frequency of economic activation of DR resources. On a comparative basis, what is its view on the forecast quantity of energy that the generators who have capacity obligations as a result of the TCA will produce.

RESPONSE

The IESO's expectations with respect to economic activation of DR resources is informed by four years of successful DR auctions and stable demand and supply conditions forecasted for 2020. The IESO and the MSP have had an opportunity to examine DR resource bids and their associated economic dispatch frequency. By contrast there is no energy market history for generators with capacity auction obligations relative to which the IESO can form a comparable view.

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SEC INTERROGATORY 13

INTERROGATORY

Reference:

IESO Evidence, para. 107

Question:

Please provide an example of the situation that Navigant was alluding to regarding more DR activations may not reduce costs to customers due to the Global Adjustments.

RESPONSE

The issue identified by Navigant is illustrated at paragraph 62 of the Evidence of Dr. Rivard.

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SEC INTERROGATORY 14

2 **INTERROGATORY**

3 Reference:

4 KingstonCoGen, Evidence of Brian Rivard, para. 73

5 Question:

6 Please provide the IESO's views on the information that Mr. Rivard says is required for the IESO
7 to develop a net benefits test.

8 **RESPONSE**

9 The IESO is in the process of studying the issue of energy payments and the possibility of
10 developing a net benefits for Ontario. The IESO has not yet determined what additional
11 information would be required to develop an Ontario-specific net benefits test. The IESO will
12 consider the comments of Dr. Rivard as part of its work

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