

Report Description

TITLE: Capacity Auction: Pre-Auction Report

CONFIDENTIALITY: Public

PURPOSE: In support of the Capacity Auction (CA), the Pre-Auction Report provides existing and future capacity auction participants with the information they would need to qualify their auction capacity, and subsequently submit offers for the capacity auction.

FREQUENCY: Prior to each Capacity Auction

NOTES: “Not Applicable” means there is no Zonal Maximum associated with the zone, but the Maximum Auction Capacity Limit applies.

The following information is included in this report:

Heading on Report	Description
Target Capacity	Auction capacity the IESO seeks to acquire through a Capacity Auction
Capacity Auction Reference Price	The capacity reference price represents the price at which new resources would be incentivized to enter the market and recover the necessary costs to make their capacity available, recognizing their revenue opportunities and avoided costs in the <i>energy market</i>
Minimum Capacity Auction Clearing Price	The minimum price that a market participant will be paid for <i>auction capacity</i>
Maximum Capacity Auction Clearing Price	The maximum price that a <i>market participant</i> may be paid for <i>auction capacity</i> .
Minimum Auction Capacity	The minimum amount of capacity which the <i>IESO</i> will clear through the auction, provided there are sufficient economic offers.
Maximum Auction Capacity at the Maximum Capacity Auction Clearing Price	The maximum amount of capacity which the <i>IESO</i> will clear through the auction at the maximum capacity auction clearing price. The maximum capacity <i>at</i> maximum capacity auction clearing price will be determined based on the following formula:

	$MaxCap(MACP) = \frac{RP \times TC}{MaxP}$ <p>Where:</p> <ul style="list-style-type: none"> • MaxCap(MACP) is the maximum capacity at the maximum capacity auction clearing price, • RP is the capacity reference price, • TC is the target capacity, and • MaxP is the maximum capacity auction clearing price.
Maximum Capacity Import Resource Limit (MW)	Maximum amount of auction capacity that may be provided by all capacity import resources. This limit does not set the capacity auction clearing price;
Interface Import Limits (MW)	Maximum amount of auction capacity that may be provided by all capacity import resources at each external interface

The parameters described above are illustrated on a demand curve below:

