



**JUNE 20, 2024**

# Market Renewal Program: Final Alignment Batch

## *Overview of Final Alignment posting materials*

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# Purpose

To provide stakeholders with:

- An understanding of how the previous MRP batches have come together into this Final Alignment (FA) batch;
- An overview of how to navigate the FA batch materials that were posted on June 7th; and
- A review of the new content introduced in the FA batch of market rule amendments.



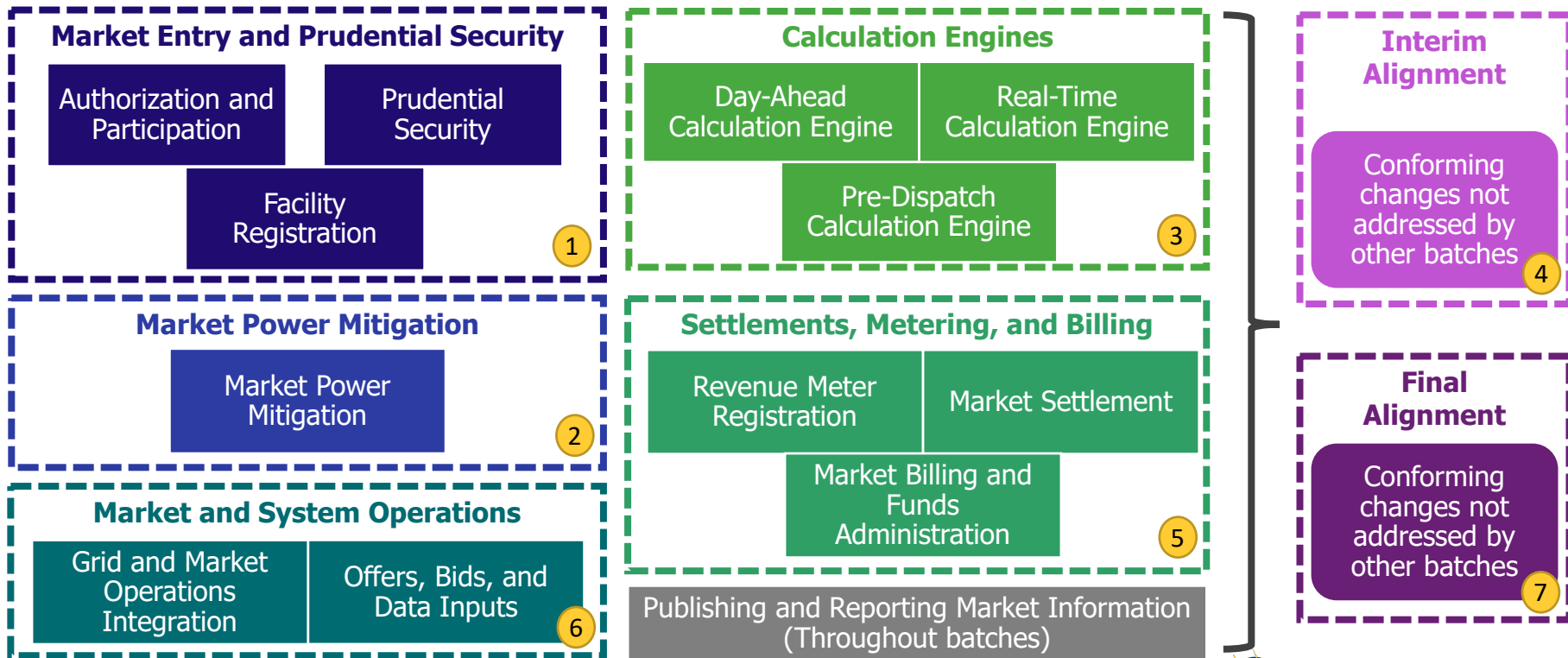
# Topics Covered

- Final Alignment and the MRP Batch process
- Navigating the Final Alignment batch
- Overview of market rules previously reviewed with stakeholders:
  - Market Power Mitigation
  - Settlements
- Overview of new market rules:
  - Market transition
  - Newly introduced changes
  - Conforming changes
- Next Steps




# Final Alignment and the MRP Batch Process

# Batch Overview: Mapping of 13 Detailed Design Docs



# Batch Approval Status

- 
- 1 - Market Entry and Prudential Security (*Provisionally Approved*)
  - 2 - Market Power Mitigation (*Provisionally Approved*)
  - 3 - Calculation Engines (*Provisionally Approved*)
  - 4 - Interim Alignment (*Provisionally Approved*)
  - 5 - Market Settlement (*Provisionally Approved*)
  - 6 - Market and System Operations (*Provisionally Approved*)
  - 7 - Final Alignment (*Targeting **Formal** Approval: Oct 18, 2024*)

# Contents of the Final Alignment Batch

The Final Alignment (FA) Batch will be a restatement of all market rule proposals, from all provisionally approved batches; with three types of further modifications:

1. **updates or corrections** to earlier batches resulting from the ongoing implementation and engagement processes;
2. **transitional market rules** required to facilitate the mechanics of transitioning from the old market to the renewed market; and
3. **administrative “conforming changes”** to reflect any updates or corrections, e.g. updates to references and defined terms.



# Navigating the Final Alignment batch



# Renewed Market Rules and Manuals

- The renewed rules and manuals will be distinguished from the legacy rules in their numbering by sharing a prefix “0.” identifier, per the following examples:

Legacy market rules/manuals	Renewed market rules/manuals
Chapter 1	Chapter 0.1
Chapter 2	Chapter 0.2
MM1.5	MM0.1.5

# Final Alignment Market Rule Chapters

Three documents are provided in relation to each market rule chapter:

1. **Market Rule Amendment Proposal** - a clean restatement of each chapter of the MRP market rules on which the TP will vote to recommend/IESO Board will consider for formal approval.
2. **FA Supplementary: All Amendments** - a document that shows the consolidated MRP amendments required for the chapter with tracked changes shown against the current baseline of that chapter.
3. **FA Supplementary: Incremental Amendments** - a document that shows only excerpts from sections that have been revised since the TP provisionally recommended/IESO Board provisionally approved version with tracked changes.

# Other supporting documents

1. **Market Manuals** - two documents are provided for each market manual:
  - Final, clean version of the market manual incorporating all required MRP changes; and
  - A version with changes tracked from the most recent version of that market manual published under MRP.
2. **Final Alignment Readers Guide**
  - Explains incremental changes made to each market rule chapter since the provisionally approved version.
  - Explains incremental changes made to each market manual since the most recently published version.

# Where to find the Final Alignment Batch?

The screenshot shows the 'Market Renewal' website. At the top, there's a header with the title 'Market Renewal' and a brief description of the Market Renewal Program (MRP). Below this, there's a section for 'Sign up for regular updates about the Market Renewal Program' with a link to the 'Market Renewal Newsletter - May Update' dated May 7, 2024. To the right, there's a section for 'Upcoming Events' with a link to the 'MRP Implementation Engagement Webinar' dated April 25, 2024. Below these, there are links for 'News and Updates' and 'Events Calendar'. The main content area is titled 'Overview' and describes the MRP's goals. Below the overview, there are three columns of links. The first column, under the heading 'Background and Resources', includes a link to 'Final Alignment Documents' which is circled in red. The second column, under the heading 'Market Participant Readiness', includes links to 'Market Participant Testing', 'Market Participant Readiness', 'Technical Reference Materials', 'Settlement Reference Materials', 'Training Materials', and 'Participant Tool Training'. The third column, under the heading 'Stakeholder Engagement', includes links to 'Implementation Engagement', 'MRP Implementation Working Group', and 'Completed Engagements'.

**Market Renewal**

The Market Renewal Program (MRP) is modernizing Ontario's electricity markets to address inefficiencies and will be a building block to embrace the continued transition to new and diverse resources.

[Sign up](#) for regular updates about the Market Renewal Program

[Market Renewal Newsletter - May Update](#)  
May 7, 2024

[Upcoming Events](#)

[MRP Implementation Engagement Webinar](#)  
April 25, 2024

[News and Updates](#)

[Events Calendar](#)

### Overview

The Market Renewal Program (MRP) will make improvements to the current electricity market design, by improving how we supply, schedule and price electricity, leading to system efficiencies and supporting the grid of the future. This project will deliver significant value to the system and Ontario consumers - an expected \$700 million in benefits in the first 10 years alone.

#### Background and Resources

- [What is the Market Renewal Program?](#)
- [Final Alignment Documents](#)
- [Implementation Documents](#)
- [Detailed Design Documents](#)
- [High-Level Design Documents](#)
- [MRP Implications to Electricity Supply Contracts](#)
- [Project Status](#)
- [Additional Resources](#)

#### Market Participant Readiness

- [Market Participant Testing](#)
- [Market Participant Readiness](#)
- [Technical Reference Materials](#)
- [Settlement Reference Materials](#)
- [Training Materials](#)
- [Participant Tool Training](#)

#### Stakeholder Engagement

- [Implementation Engagement](#)
- [MRP Implementation Working Group](#)
- [Completed Engagements](#)

## Final Alignment Documents



# Overview of market rules previously reviewed with stakeholders

# Incremental Changes to MPM and Settlement Batches

A limited number of incremental revisions to the market rules and manuals that are part of the MPM and Settlements batches have already been reviewed with stakeholders since those batches received provisional approval:

**MPM Batch** – Provisional Board Approval August 24, 2022

- subsequent revisions introduced in March and December 2023

**Settlements Batch** – Provisional Board Approval August 30, 2023

- subsequent revision introduced in January 2024

# MPM: March 2023 Updates

## Market Rules: Ch.7

- Reorganization
- Clarifying language
- Correcting typos
- Implementing design changes due to solution development
- Conforming changes to bring the rules into alignment

## Market Manual 14.1

- More details in specific areas
- Removal of redundant content
- Clarifications

## Market Manual 14.2

- Updated content regarding the independent review process

More information can be found in the [March 2023](#) update to stakeholders

# MPM: December 2023 Updates

## Market Rules: Ch.7 & Ch.11

- Reorganization and corrections;
- Clarifications;
- Solutions development; and
- Response to stakeholders

## Market Manual 14.1

- Editorial, Grammatical and addressing redundancy;
- Clarifications;
- Alignment;
- Response to stakeholders; and
- Report Development

## Market Manual 14.2

- Editorial, Grammatical and addressing redundancy;
- Alignment updates;
- Response to stakeholders

More information can be found in the [December 2023](#) update to stakeholders



# Settlements: January 2024 Updates

## Market Rules: Ch.9, Ch.9 Appendix

- Clarification
- Corrections to typographical errors
- Design updates for Operating Reserve Accessibility, settlement for non-dispatchable generation, inertia failure charges

## Market Manual 5.5

- Alignment with other batches
- Design updates to align with those made to the market rules
- Clarifications

## Charge Types and Equations

- Design updates to align with those made to the market rules
- Clarifications
- Corrections

More information can be found in the [December 2023](#) update to stakeholders



# New Market Rules: Market Transition

# Transitional Rules

- New market rules will be required to support the transition to the renewed market.
- These new market rules, which will be temporary in nature, are required to both facilitate the staged transition from the legacy market rules to the renewed market rules and to provide appropriate flexibility during the cutover period.



# Legacy and Renewed Market Rules

The market rules and manuals for the renewed market will come into effect several months in advance of the market transition to support Registration Go-live activities and to authorize the market transition process.

- The majority of the renewed market rules - including those related to operations and settlement - will be in effect, but will remain inoperative until commencement of the market transition.

The legacy rules will continue to be operative, and to govern the current market until they are superseded by the renewed market rules at the commencement of the market transition.

- After legacy market rules are superseded by renewed market rules, the legacy market rules will continue to apply for events that took place prior to the market transition.

# Definitions

The following definitions are being introduced to facilitate the cutover to the renewed market:

***renewed market rules*** refers to a set of *market rules* and *market manuals*, the purpose and scope of which are described in MR Ch 0.1 - 0.11, s.A.1

***legacy market rules*** means the baseline of *market rules* and *market manuals* in effect immediately prior to the market transition, but excluding the renewed market rules;

***market transition*** means the process of enabling the *IESO* to administer the *IESO-administered markets* and *dispatch* the *IESO-controlled grid* as a single-schedule system with locational marginal prices, commencing on a date specified by the *IESO* pursuant to MR Ch.7 s.13.2.4.5 and ending on the *market transition completion*;

***market transition completion*** means the date specified by the *IESO* pursuant to MR Ch.7 s13.2A.4 of the *market rules*;

***market transition error*** means an error during a *market transition* determined by the *IESO* based on the criteria in MR Ch.7 s.13.2A.3 of the *market rules*;

## Section A

- Each renewed market rule chapter and manual will contain a new 'Section A' that will define its applicability.
- These Section A rules will allow both the renewed market rules and the legacy market rules to be in effect concurrently.

# Draft Section A

## A.1 Chapter Scope and Operation

A.1.1 This Chapter is part of the *renewed market rules*, which pertain to:

A.1.1.1 the period prior to a *market transition* insofar as the provisions are relevant and applicable to the rights and obligations of the *IESO* and *market participants* relating to preparation for operation in the *IESO administered markets* following commencement of *market transition*; and

A.1.1.2 the period following commencement of *market transition* in respect of all the rights and obligations of the *IESO* and *market participants*.

A.1.2 All references herein to chapters or provisions of the *market rules* will be interpreted as, and deemed to be references to chapters and provisions of the *renewed market rules*.

A.1.3 Upon commencement of the *market transition*, the *legacy market rules* will be immediately revoked and only the *renewed market rules* will remain in force.

# Draft Section A cont'd

## A.1 Chapter Scope and Operation

- A.1.4 For certainty, the revocation of the *legacy market rules* upon commencement of *market transition* does not:
- A.1.4.1 affect the previous operation of any *market rule* or *market manual* in effect before the *market transition*;
  - A.1.4.2 affect any right, privilege, obligation or liability that came into existence under the *market rules* or *market manuals* in effect prior to the *market transition*;
  - A.1.4.3 affect any breach, non-compliance, offense or violation committed under or relating to the *market rules* or *market manuals* in effect prior to the *market transition*, or any sanction or penalty incurred in connection with such breach, non-compliance, offense or violation
  - A.1.4.4 affect an investigation, proceeding or remedy in respect of,
    - (a) a right, privilege, obligation or liability described in subsection A.1.4.2, or
    - (b) a sanction or penalty described in subsection A.1.4.3.
- A.1.5 An investigation, proceeding or remedy described in subsection A.1.4.3 may be commenced, continued or enforced, and any sanction or penalty may be imposed, as if the *legacy market rules* had not been revoked.



## Section B Rules

Temporary exceptions to the enduring renewed market rules, required to facilitate the transition to the renewed market. Notable examples include:

- Actual exposure calculation for prudentials during market transition (Ch. 0.2);
- Outage notification timelines (Ch. 0.5);
- Settlement basis for self-scheduling storage (Ch. 0.9); and
- Notice of disagreement timeline for preliminary settlement statements (Ch. 0.9).

# Draft Section B example: Prudentials

## B.1 Exceptions

- B.1.1 Notwithstanding section 5.5.1, for the purposes of facilitating the *market transition*, and for such time as may be required for the *IESO* to accumulate sufficient data to comply with section 5.5.1, the IESO may for the calculation of *actual exposure*, calculate a *market participant's actual exposure* for *physical transactions* using an average of the actual net *settlement amounts* for the three most recent *energy market billing periods*, in which that *market participant* has conducted *physical transactions* for *energy*.

# Market Transition: Suspension Process

- Ch.0.7 s 13.2.4 permits the IESO to suspend the market.
- A new section 13.2.4.5 will permit the IESO to suspend the market for the purposes of a market transition.
- This is only permitted for reasons specified in section 13.2A.1\*.

# Market Transition Suspension Process in MR.Ch.0.7

13.2.4 The *IESO* may suspend *market operations* in the event of:

13.2.4.5 a *market transition*, the commencement of which the *IESO* shall specify in a market advisory notice.

## 13.2A Market Transition Suspensions

13.2A.1 Where the *IESO* has suspended *market operations* due to a *market transition*, the suspension shall be for the purposes of activating and, if necessary, testing, validating, adjusting, or restoring the software, hardware or communication systems that support normal *market operations*.

# Market Transition: Rollback Criteria

- The rules will provide the IESO with temporary powers to rollback to the legacy market in the unlikely event that a contingency sufficiently material problem occurs during the market transition period (a "market transition error").
- The rules will codify a three-part test that the IESO will use to determine whether to declare a market transition error:
  - (a) a critical tool or process failure has occurred;
  - (b) the failure has a significant impact to market operations or reliability; and
  - (c) the failure cannot be resolved within a reasonable time.

# Market Transition Rollback Criteria in MR. Ch.0.7

13.2A.2 Where the *IESO* has suspended *market operations* due to a *market transition* and the *IESO* determines pursuant to section 13.2A.3 that a *market transition error* has occurred, the *IESO* may *dispatch* the *IESO-controlled grid* and administer the *IESO-administered markets* in accordance with the *legacy market rules*, which the *IESO* shall *publish*. During any *dispatch hour* subject to such *dispatch* and administration, any *price responsive load* shall for all purposes be deemed a *non-dispatchable load*.

13.2A.3 The *IESO* may determine that a *market transition error* has occurred where it considers that:

13.2A.3.1 the software, hardware, communication systems or business processes that support normal *market operations* have experienced a critical failure;

13.2A.3.2 this failure would prevent the *IESO* from *dispatching* the *IESO-controlled grid* or administering the *IESO-administered markets* in a manner consistent with normal *market operations* or *reliability*; and

13.2A.3.3 the *IESO* is unable to resolve the failure within a reasonable time.

# Completion of the Market Transition process

- There will be a clear end point to the market transition.
- This end point will be determined when the IESO is satisfied that the tools are performing as expected and producing appropriate market outcomes
- The end point will be communicated to the sector via a market advisory notice.
- Details are contained in MR Ch.7 s.13.2A.4, as shown in the following slides.

# Completion of the Market Transition Process in Ch 0.7

- 13.2A.4      Where the *IESO* is satisfied with the results of the activation, testing, validation, adjustment or restoration performed in accordance with section 13.2A.1, the *IESO* shall issue a market advisory notice pursuant to section 13.7.1 indicating the time at which the suspension shall end. The time specified in this market advisory notice shall be the *market transition completion*.



# Compensation During Market Transition

- The renewed market rules will codify market participants' entitlement to compensation during the market transition.
- Market participants will receive the real-time locational market price during the transition unless this price is invalid or unavailable, in which case market participants will receive administrative prices.

# Compensation During Market Transition in MR Ch.0.7

13.6.3 Where the *IESO* suspends *market operations* due to a *market transition*, the *IESO* shall, except for *dispatch intervals* subject to compensation in accordance with section 13.6.4, compensate *market participants* for following *dispatch instructions* based on *administrative prices* calculated using the *market prices* determined by the *real-time calculation engine* where the *IESO* considers those *market prices* valid. Where the *IESO* does not consider the *market prices* determined using the *real-time calculation engine* valid, or where such *market prices* are not available, it shall compensate *market participants* for following *dispatch instructions* based on *administrative prices* calculated using one, or a combination of, the following *administrative pricing* methods as the *IESO* determines appropriate:

- 13.6.3.1 the closest preceding *dispatch interval* that has not been administered;
- 13.6.3.2 the closest subsequent *dispatch interval* that has not been administered;
- 13.6.3.3 the closest subsequent hourly *market prices* that have not been administered determined by the *day-ahead market calculation engine*; or
- 13.6.3.4 where the *IESO* gathers sufficient data following the *market transition* to use the *administrative pricing* methods set out in section 8.4A.5 based on that data, any or a combination of the methods in that section relying only on data gathered following the commencement of the *market transition*.

# Compensation in the Event of Rollback

In the unlikely event the IESO determines that it is necessary to declare a market transition error, market participants will be settled in accordance with the legacy market rules for the entire market transition period. This means that, until the IESO declares market transition completion, there will be a degree of uncertainty as to which methodology the IESO will be required to use in order to settle participants for the transition period.

## Compensation in the Event of Rollback, in MR Ch.0.7

13.6.4 Where, pursuant to s.13.2A.2, the *IESO* dispatches the *IESO-controlled grid* and administers the *IESO-administered markets* in accordance with the *legacy market rules*, it shall, during any *dispatch interval* subject to such *dispatch* and administration and any appropriate preceding *dispatch interval* following the commencement of the *market transition*, compensate *market participants* in accordance with the *legacy market rules*.



# Newly Introduced Changes

# New Market Rules: Updates

- Physical Bilateral Contracts
- Commissioning resources
- Dispatch scheduling errors
- Notice of disagreement timelines
- Prudential monitoring
- Pseudo-unit modelling
- MPM Updates
- Other miscellaneous updates

# Physical Bilateral Contracts

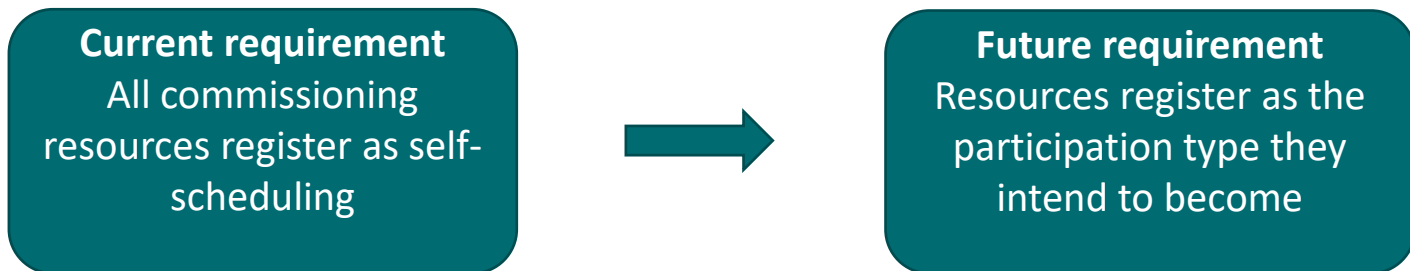
- A new provision in Chapter 8 will facilitate the suspension of PBCs upon MRP Go-Live:

- 2.0.1 Following a *market transition* this section 2 and the relevant provisions of MR. Ch.9 applicable to *physical bilateral contracts* shall not apply to the extent that they apply to *physical bilateral contracts* and the *IESO* shall not administer and settle *physical bilateral contracts*. Such inapplicability shall continue until such time as the *IESO* resolves the relevant software inadequacies and *publishes* notice that such software inadequacies are resolved and the *IESO* is capable of administering and settling *physical bilateral contracts*.
- Existing references to PBCs throughout the Market Rules and Market Manuals will be retained but inoperable; these references may either be removed or repurposed in the future.

More information available in the April [presentation](#) to stakeholders

# Commissioning Process

- The commissioning and testing process for new resources, and for existing resources with new equipment, will remain the same. However, the registration requirements associated with commissioning will change to allow for registration processes to proceed in parallel with commissioning and testing.
- This change will allow new registration parameters for dispatchable resources to be collected concurrently in the tools, rather than sequentially.





# Market Rule and Manual Changes for Commissioning Resources

- Market rule amendments to Chapter 7 will be introduced as part of the FA batch to outline requirements for registration, and provide clarity with respect to how a resource is treated by the IESO during its commissioning and testing process.

## Changes to Market Manual 7.3 - Outage Management:

- To be consistent with the market rule amendments;
- To provide greater clarity on the requirement for market participants to have an up-to-date commissioning test plan, and require them to update their dispatch data and outage information consistent with that plan.

# Dispatch Scheduling Errors: Market Rule and Manual changes

- IESO is proposing further amendments to document and clarify how the dispatch scheduling errors will be applied in the renewed market.
- Updates are reflected in the Final Alignment batch, including:
  - MR Ch.7 s7.6.4 updated to clarify which settlement amounts may be adjusted in the event of a dispatch scheduling error;
  - Market Manual 5.5 s5 Market Remediation updated to reference:
    - MR Ch.7 s7.6 Dispatch Scheduling Errors,
    - Market Manual 4.2 s9 Day-Ahead Market Remediation; and
    - Market Manual 4.3 s7 Real-Time Market Remediation.
- More information available in the April [presentation](#) to stakeholders.

# Notice of Disagreement Timelines: Transitional

The IESO proposes to amend the timelines associated with filing Notice of Disagreements (NODs) for preliminary settlement statements as requested by Market Participants.

Statement	Current timeline	Post MRP timeline
Preliminary settlement statement	6 business days	10 business days for the first 8 months* 8 business days for the next 6 months 6 business days thereafter

*notice of disagreement* means a notice provided by a *market participant* in accordance with MR Ch.9 s.6.8 to the *IESO* in regard to a disagreement over a *settlement statement*;

\* Assuming a successful market transition that began May 1, 2025.

# Notice of Disagreement Timelines: Enduring

The IESO proposes to amend the timelines associated with filing Notice of Disagreements (NODs) for Final settlement statement and recalculated settlement statements as requested by Market Participants.

Statement	Current timeline	Post MRP timeline
Final settlement statement	6 business days	10 business days from May 2025
Recalculated settlement statement	6 business days	10 business days from May 2025

# NOD Timelines: Rule Amendments Required to Facilitate

- The change to the NOD timelines will impact the IESO Settlement Schedule and Payments Calendar (SSPC) - 2025 calendar will be produced in November 2024
- While the renewed market rules for MRP will be in effect in November 2024, the renewed market rules will pertain to the new market, and will not impact the legacy market rules upon which the November 2024 SSPC calendar will be based.
- Therefore, in addition to making amendments to the renewed market rules to facilitate the NOD timeline extensions, an amendment to the legacy market rules will be required to ensure the extension commences May 1, 2025 and is in place at the time the SSPC is issued in November 2024.
- This amendment will be contained in a separate proposal document; MR-00481-R13, which will be included as part of the Final Alignment batch.

# NOD Timelines: amendments to legacy market rules

- 6.3.14 After the *preliminary settlement statement* referred to in section 6.3.13 is issued, each *market participant* shall have six *business days* to notify the *IESO* of errors or omissions in the *preliminary settlement statement* in accordance with section 6.8.  
Notwithstanding the foregoing and commencing May 1, 2025, each *market participant* shall have ten *business days* to notify the *IESO* of errors or omissions in the *preliminary settlement statement* in accordance with section 6.8
- 6.3.16 After the *final settlement statement* referred to in section 6.3.15 is issued, each *market participant* shall have six *business days* in which to notify the *IESO* of errors or omissions in the *final settlement statement* in accordance with section 6.8.  
Notwithstanding the foregoing and commencing May 1, 2025, each *market participant* shall have ten *business days* to notify the *IESO* of errors or omissions in the *final settlement statement* in accordance with section 6.8
- 6.3.18 After a *recalculated settlement statement* referred to in section 6.3.17 is issued, other than in respect of a *final recalculated settlement statement*, each *market participant* shall have six *business days* in which to notify the *IESO* of errors or omissions in the *recalculated settlement statement* in accordance with section 6.8.  
Notwithstanding the foregoing and commencing May 1, 2025, each *market participant* shall have ten *business days* to notify the *IESO* of errors or omissions in the *recalculated settlement statement* in accordance with section 6.8

# NOD Timelines: MR Ch.0.9 s.B

## B.1 Exceptions

**B.1.2** Notwithstanding section 6.3.14, the applicable timeline to notify the *IESO* of any errors or omissions in a *preliminary settlement statement* shall be as follows:

Upon commencement of market transition, the applicable timeline to notify the *IESO* of any such errors or omissions in accordance with section 6.8 shall be ten *business days*; and

Commencing 8 months after the first calendar day of the month in which the *market transition completion date* occurs, and for a period of 6 months, the applicable timeline to notify the *IESO* of any such errors or omissions in accordance with section 6.8 shall be eight *business days*.

For greater certainty, this provision does not alter the timelines set out in section 6.3.3, and following the operation of section (b), the relevant timelines will return to as they are stated in section 6.3.14.

Extensions to timelines for the other settlement statements will reside in MR Ch.0.9 s.6.3.16 (for final settlement statements) and MR Ch.0.9 s.6.3.18 (recalculated settlement statement)

# Prudential Monitoring

- An MP's prudential support is collateral the IESO holds for net debtors in the market to mitigate against payment default. The IESO monitors an MP's exposure on a daily basis against its trading limit.
- During the MRP cutover period the Market Participant Prudential System (MPPS) will be temporarily inactive; starting Day -1 (April 30).
- During the period when the updated prudential system will not have the data set required to calculate exposures (notionally the first six days of the new market), estimated actual exposure will be calculated using an average of the three most recent invoices in which a market participant has conducted physical transactions for energy.



# Pseudo-Unit Modelling

- The detailed design for Facility Registration outlines that pseudo-unit modelling will be subject to IESO approval based on whether such modelling will impact reliability.
- An addition to MM1.5 section 3.3.4.1 is proposed to clarify that all resources in a pseudo-unit must be connected at the same connection point;

“The IESO will not approve a pseudo-unit registration request unless all resources designated as part of the pseudo-unit are connected to the IESO-controlled grid at the same connection point.”

## Market Power Mitigation: Minor Modifications

- The IESO continues to engage with market participants in one-on-one reference level consultations, as well as to develop and test the solutions required to execute the new mitigation processes
- As a result, there are incremental updates to the market power mitigation Market Rules and Market Manuals that are required to support the mitigation design
- These updates finalize details and address infrequent scenarios that have come to light during the continuing work by the IESO.

## Market Power Mitigation: Minor Modifications, cont'd

- A number of provisions related to market power mitigation have been modified since the IESO's December 15, 2023 webinar. Only one of these changes is to a market rule:
  - MR. Ch.7 s.22.8.14 now specifies the settlement mechanism by which the IESO shall recover the costs of an independent reviewer:
    - Where a market participant triggers an independent review, the IESO will apply a settlement charge to the participant.
    - Where the IESO triggers a subsequent review, the IESO recovers the cost from the market.

# Market Power Mitigation: Minor Modifications, cont'd

## Notable Market Manual Changes

- All changes to the market manual provisions are highlighted in the Readers Guide.
- Notable changes include the following:
  - Non-dispatchable generation resources and dispatchable loads have been removed from the NCA report (MM14.1 s.2.2.1);
    - This update provides more consistency in the text, as resources that don't require reference levels (i.e. non-dispatchable resources) are to be removed from the NCA via ad-hoc updates per the text later in the section
    - This change resulted from internal input

## Market Power Mitigation: Minor Modifications, cont'd

- Clarifications with respect to IESO evaluation of supporting documentation regarding eligible costs (MM14.2 s.3.2);
  - The IESO added content that explains what market participants can submit if OEM documents or invoices (for example) are not available. The added content outlines how the IESO will evaluate documents that are prepared by market participants to support requested reference levels
  - This content was added in response to market participant feedback received during reference level consultations

## Market Power Mitigation: Minor Modifications, cont'd

- Adjustment to publication time for the Day-ahead Market Reference Quantity Values Report (v2) (MR 14.2 s.4.2).
  - The publication time of v2 of this report was changed from 10:00 EPT to 19:00 EPT on day 14 following the dispatch day. This timing was updated to allow for all necessary solutions and automated precedent tasks to be executed prior to this publication.
- Change to residual fuel oil and ignition oil cost determinations for thermal resources specifying that market participants will provide the weighted average cost of fuel rather than utilizing a cost index (MM14.2 s.7.1.5.1)
  - The fuel cost change request process allows market participants to ensure their actual fuel costs are captured for a dispatch day.
  - The IESO will continue to assess the benefit of adding these fuel indicies as a potential post-Go Live enhancement.

## Market Power Mitigation: Minor Modifications, cont'd

- Additional eligible operating and maintenance costs for hydroelectric resources (MM14.2 s.7.2.2.1 and s.7.2.2.2);
  - The added eligible costs include certain major maintenance and scheduled maintenance costs
  - This content was added in response to market participant feedback received during reference level consultations
- Additional eligible transmission and distribution costs that are incurred on a volumetric basis for electricity storage resources have been added as eligible costs (MM14.2 s.7.6 and s.7.6.2);
  - This content was added in response to market participant feedback received during reference level consultations

## Miscellaneous changes

**Real time ramp-down settlement amounts;** Clarification that a market participant shall not receive a RT ramp-down settlement amount during any hours that their resource is limited due to safety, damage or violation of any law reasons (Ch.0.9 s.4.6).

**Independent Review Process market uplift;** Clarifying that the costs of the independent review process are included as a non-hourly uplifts to be collected from certain market participants (Ch.0.9 s.4.14.12).

**Load forecast deviation adjustment;** Previously termed, “Load forecast deviation charge”. The term has been amended to reflect that the adjustment may be positive or negative (Ch.0.9 and Ch.0.11). To be discussed in more detail in a separate presentation.

**Emergency activation payment amounts for capacity auction participants;** The relevant price for non-PRLs and PRLs has been updated (Ch.0.9 s.4.13.11).





# Overview of Conforming Changes

# Conforming changes

- By volume, most of the new amendments to the market rules introduced in Final Alignment are due to 'conforming changes'.
- These are generally minor market rule amendments that are needed for consistency across the entire suite of market rules.
- Some specific changes required:
  - Integration of the new "resource" defined term;
  - Correcting references to defined terms;
  - Updating cross references where they have changed; and
  - Updating to new cross reference style.



# Next Steps

## Next Steps

- The Technical Panel will be asked to vote to post the Final Alignment amendment proposal for final stakeholder comment on July 16 with the comment period closing August 6, 2024.
- The IESO invites stakeholders to submit comments or questions at any time prior to the end of the formal Technical Panel comment period.
- The IESO also encourages stakeholders to submit any comments or questions as early as possible to afford the greatest opportunity for them to be fully addressed and responded to in advance of the Technical Panel vote to recommend on September 10, 2024.

# Thank You

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# Appendix

# Market Rule Chapter: Proposal map

Market Rule Chapter	Proposal
Chapter 0.11- Definitions	MR-00481-R00
Chapter 0.1- Introduction and Interpretation	MR-00481-R01
Chapter 0.2- Participation	MR-00481-R02
Chapter 0.3- Administration, Supervision and Enforcement	MR-00481-R03
Chapter 0.4- Grid Connection Requirements	MR-00481-R04
Chapter 0.5- Power System Reliability	MR-00481-R05

# Market Rule Chapter: - Proposal map (con't)

Market Rule Chapter	Proposal
Chapter 0.6- Wholesale Metering	MR-00481-R06
Chapter 0.7- System Operations and Physical Markets	MR-00481-R07
Chapter 0.7- Appendix	MR-00481-R08
Chapter 0.8- Physical Bilateral Contracts and Financial Markets	MR-00481-R09
Chapter 0.9- Settlements and Billing	MR-00481-R10
Chapter 0.9- Appendix	MR-00481-R11
Chapter 0.10 – Transmission Service and Planning	MR-00481-R12
Chapter 9- Settlements and Billing- legacy market rules	MR-00481-R13



# Market Manuals part of the Final Alignment Batch

1.3- Identity Management Operations Guide

1.5- Market Registration

4.1- Submission of Dispatch Data in RT energy and OR markets (formerly 4.2)

4.2- Operation of the Day Ahead Market

4.3- RT scheduling of the physical markets

4.4- Transmission Rights Auction

4.5- Market Suspension and Resumption

5.3- Submission of physical bilateral contract data

5.4- Prudential support

5.5- IESO Administered Markets Settlement Amounts

5.6- Non-Market Settlement Programs

5.7- Settlements process

5.8- Settlement invoicing

5.10- Settlement disagreements

7.1- IESO controlled grid operating procedures

7.2- Near Term Assessments and Reports

7.3- Outage Management

7.4- IESO Grid Operating Policies

12- Capacity auctions

14.1- Market Power Mitigation Procedures

14.2- Reference Level and Reference Quantity Procedures

Charge types and equations