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## Market Manual 5: Settlements

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# Part 5.8: Settlement Invoicing

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September 7, 2023 ~~May 1, 2023~~

This *market manual* is provided for stakeholder engagement purposes. Please note that additional changes to this document may be incorporated as part of future engagement in MRP or other *IESO* activities prior to this *market manual* taking effect.

This procedure provides information required by the *IESO* to prepare and issue *settlement invoices* to *market participants* and for *market participants* to retrieve and process *settlement invoices* for the *IESO-administered markets*.

## Document Change History

| Issue       | Reason for Issue  | Date                     |
|-------------|---|--------------------------|
| 1.0         | Unapproved version released for Baseline 3  | June 19, 2000            |
| 2.0         | Unapproved version released for Baseline 4  | October 2, 2000          |
| 3.0         | Unapproved version released for Baseline 5  | December 15, 2000        |
| 4.0         | Unapproved version released for Baseline 6.1  | March 26, 2001           |
| 5.0         | Issue released for Baseline 6.2   | May 22, 2001             |
| 6.0         | Issue released for Baseline 6.3   | July 6, 2001             |
| 7.0         | Issue released for Baseline 6.6   | November 26, 2001        |
| 8.0         | Update to Baseline 7.0  | March 25, 2002           |
| 9.0         | Update to Baseline 12.0   | September 1, 2004        |
| 10.0        | Update to Baseline 14.0   | September 14, 2005       |
| 11.0        | Update to Baseline 20.0   | September 10, 2008       |
| 12.0        | Update to Baseline 29.1   | June 5, 2013             |
| 13.0        | Update to Baseline 30.1   | December 4, 2013         |
| 14.0        | Update to Baseline 31.1   | June 4, 2014             |
| 15.0        | Update to Baseline 34.1   | December 2, 2015         |
| 16.0        | Updated to meet accessibility requirements pursuant to the <i>Accessibility for Ontarians with Disabilities Act</i> for Baseline 44.1   | December 2, 2020         |
| 17.0        | Updated for May 1, 2023 in advance of Baseline 49.1. This document merges content from Market Manuals 5.6: Physical Market Settlement Invoicing and 5.8: Financial Markets Settlement Invoicing | May 1, 2023              |
| <u>17.1</u> | <u>Updated for MRP</u>  | <u>September 7, 2023</u> |

## Related Documents

| Document ID | Document Title |
|-------------|----------------|
|             |                |

# Table of Contents

|  |            |
|--|------------|
| <b>Table of Contents</b> .....                                 | <b>i</b>   |
| <b>List of Figures</b> .....                                   | <b>ii</b>  |
| <b>List of Tables</b> .....                                    | <b>ii</b>  |
| <b>Table of Changes</b> .....                                  | <b>iii</b> |
| <b>Conventions</b> .....                                       | <b>iv</b>  |
| <b>1. Introduction</b> .....                                   | <b>1</b>   |
| 1.1. Purpose.....  | 1          |
| 1.2. Scope.....  | 1          |
| 1.3. Overview.....   | 1          |
| 1.4. Contact Information.....                                  | 2          |
| <b>2. Issuance and Payment of Settlement Invoices</b> .....    | <b>3</b>   |
| 2.1. Issuing Settlement Invoices.....                          | 3          |
| 2.2. Payment of Settlement Invoices.....                       | 4          |
| <b>3. Retrieving Settlement Invoices</b> .....                 | <b>6</b>   |
| 3.1. Failure in Accessing Settlement Invoice .....             | 6          |
| <b>4. Interpreting and Reviewing Settlement Invoices</b> ..... | <b>7</b>   |
| 4.1. Reviewing Settlement Invoices .....                       | 7          |
| <b>5. Invoice Delays and Estimated Invoices</b> .....          | <b>8</b>   |
| <b>Appendix A: Forms</b> .....                                 | <b>9</b>   |
| <b>References</b> .....  | <b>10</b>  |



## List of Figures

No table of figures entries found.

## List of Tables

|  |   |
|--|---|
| Table 1-1: IESO-Administered Markets ..... | 1 |
| Table A-1: Forms.....                      | 9 |



## Table of Changes

| Reference         | Description of Change   |
|-------------------|---|
| <u>Throughout</u> | <p><u>"Batch 4" changes for Market Renewal Program, reflecting the design elements in the following detailed design documents:</u></p> <ul style="list-style-type: none"><li>• <u>Market Settlement;</u></li><li>• <u>Revenue Meter Registration; and</u></li><li>• <u>Market Billing and Funds Administration.</u></li></ul> |

## Conventions

The standard conventions followed for *market manuals* are as follows:

- The word 'shall' denotes a mandatory requirement;
- References to *market rule* sections and sub-sections may be abbreviated in accordance with the following representative format: '**MR Ch.1 ss.1.1-1.2**' (i.e. *market rules*, Ch.1, sections 1.1 to 1.2);
- References to *market manual* sections and sub-sections may be abbreviated in accordance with the following representative format: '**MM 1.5 ss.1.1-1.2**' (i.e. *market manual* 1.5, sections 1.1 to 1.2);
- Internal references to sections and sub-sections within this manual take the representative format: 'sections 1.1 – 1.2';
- Terms and acronyms used in this *market manual* in its appended documents that are italicized have the meanings ascribed thereto in **MR Ch.11**;
- All user interface labels and options that appear on the *IESO* gateway and tools are formatted with the bold font style; and
- Data fields are identified in all capitals.

– End of Section –

# 1. Introduction

## 1.1. Purpose

This *market manual* provides administrative and procedural details to the *market rules* governing the issuance of *settlement invoices*, including supplementary information relevant to understanding the rights and obligations of the *IESO* and *market participants*.

*Market manuals* must be read in conjunction with the applicable *market rules*. Where there is a conflict between a *market manual* and the *market rules*, the *market rules* shall prevail.

## 1.2. Scope

This *market manual* describes the process for the *IESO* to prepare and issue *settlement invoices* relating to the *physical markets* and financial markets, and *market participants* to retrieve, interpret and process payment for the respective *settlement invoice*.

This *market manual* supplements the following *market rules*:

- MR Ch.9 s.6.3: Settlement Cycles
- MR Ch.9 s.6.12: Settlement Invoices
- MR Ch.9 s.6.13: Payment of Invoices

## 1.3. Overview

The following markets form the *IESO-administered markets*:

**Table 1-1: IESO-Administered Markets**

| Market Type            | Transactions   |
|------------------------|--|
| <i>Physical market</i> | <p><u>1.</u> <i>Day-Ahead Market</i></p> <p style="padding-left: 20px;">a. <i>energy transactions</i></p> <p style="padding-left: 20px;">b. <i>operating reserve transactions</i></p> <p><del>1.2.</del> <i>Real-Time Market</i></p> <p style="padding-left: 20px;">a. <i>energy transactions</i></p> <p style="padding-left: 20px;">b. <i>operating reserve transactions</i></p> <p><del>2.3.</del> <i>Procurement Market</i></p> <p style="padding-left: 20px;">a. <i>Contracted ancillary services, including regulation, voltage control and reactive support services, black-start capability, and for reliability must-run contracts</i></p> |

| Market Type      | Transactions  |
|------------------|---|
|                  | <p><u>3.4.</u> Payments to <i>TR holders</i><sup>1</sup></p> <p><u>4.5.</u> <i>Virtual Transactions</i><sup>2</sup></p>           |
| Financial market | <p>1. <i>Transmission Rights Market (TR Market)</i></p> <p>a. transactions in all rounds of any <i>TR auction</i><sup>3</sup></p> |

## 1.4. Contact Information

Changes to this *market manual* are managed via the [IESO Change Management process](#). Stakeholders are encouraged to participate in the evolution of this *market manual* via this process.

As part of the participant authorization and registration process<sup>4</sup>, *market participants* are required to identify a Settlements Contact. If a *market participant* has not identified a specific contact, the *IESO* will seek to contact the Primary Contact for activities within this procedure, unless alternative arrangements have been established between the *IESO* and the *market participant*.

To contact the *IESO*, *market participants* can email *IESO* Customer Relations at [customer.relations@ieso.ca](mailto:customer.relations@ieso.ca) or use telephone or mail. Telephone numbers and the mailing address can be found on the [IESO website](#). *IESO* Customer Relations staff will respond as soon as possible. *Market participants* are to use this contact information if there is a specific inquiry regarding a *settlement invoice*.

*Market participants* should note that *invoice* payments are due on the *market participant payment date* regardless of any outstanding queries or disputes regarding the *settlement invoice*, except where the *invoice* relates to financial penalties<sup>5</sup>.

– End of Section –

<sup>1</sup> Excludes *settlement amounts* relating to transactions in all rounds of any *TR auction* which will appear on the financial market *settlement statement* and *invoice*.

<sup>2</sup> *Virtual transactions*, although part of the financial market, will be *settled as part of the physical market and will appear on the physical market settlement statements and invoices*.

<sup>3</sup> For more information on the *TR auction* process, refer to [MM 4.4: Transmission Rights Auction](#). Only those *settlement amounts* relating to transactions in all rounds of any *TR auction* will appear on the financial market *settlement statement*.

<sup>4</sup> Refer to [MM 1.5: Market Registration Procedures](#) for adding and updating contact roles with the *IESO*.

<sup>5</sup> In the case of a dispute relating to a financial penalty, the obligation to settle the penalty payment may be deferred until the dispute is resolved in accordance with the dispute resolution process set out in [MM 2.1: Dispute Resolution](#).



## 2. Issuance and Payment of Settlement Invoices

(MR Ch.9 ss.6.12-6.13)

Annually, the *IESO publishes the IESO Settlement Schedule and Payments Calendar (SSPC)* that specifies the dates for:

- issuance of *settlement invoices*, and
- payment dates of *settlement invoices*.

The *SSPCs* for both markets are posted on the [Calendars](#) page of the [IESO website](#).

### 2.1. Issuing Settlement Invoices

(MR Ch.9 s.6.12)

The *IESO* must, on the date specified in the *SSPC*, issue an *invoice* to each *market participant* who has undertaken a transaction in the *physical markets* or financial market during the *billing period*. The *billing period* is determined as follows:

- *physical market*: a calendar month
- financial market: a trading week <sup>6</sup>.

All *settlement* transactions are *invoiced*<sup>7</sup> according to the available *settlement* data, as previously issued on *preliminary settlement statements*, *final settlement statements*, and/or *recalculated settlement statements*, during the applicable *billing period* in accordance with **MR Ch.9 s.6.12**.

For details on which *charge types* will appear on a *physical market settlement invoice* and a financial market *settlement invoice*, refer to the following *market manuals*:

- [MM 5.5: IESO-Administered Markets Settlement Amounts](#)
- [MM 5.6: Non-Market Settlement Programs](#)

For a complete listing of all *charge types*, refer to [IESO Charge Types and Equations](#).

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<sup>6</sup> A *trading week* is seven consecutive *trading days* starting on, and including, the Sunday.

<sup>7</sup> Refer to [Introduction to the IESO Settlement Process](#) available on the *IESO Marketplace Training* webpage.

The *IESO* will issue a:

- debit *settlement invoice* where a net payment is due to the *IESO* from a *market participant*, and the *market participant* is required to submit payment to the *IESO*;
- credit *settlement invoice* where a net payment is due to the *market participant* from the *IESO* and is for information only as the *market participant* is not required to submit payment to the *IESO*.

The *IESO* may also produce manual *invoices*, on an as-needed basis, for various costs that are not addressed by the *settlement charge types* that form part of the applicable *settlement statements*. These may include (but are not restricted to) costs relating to:

- interest charged on late payments;
- default charges;
- costs relating to arbitration; and
- compliance penalties.

### Physical Market

The *IESO* will issue a *settlement invoice* for the *physical market* in accordance with **MR Ch.9 s.6.3.19**. The *physical market settlement invoice* will include all *market participant* payments due to the *IESO* and all *IESO* payments due to *market participants* for all *settlement charge types* that appear on a *physical market settlement statement*.

Where a *final settlement statement* is not yet available for days within the *billing period*, *preliminary settlement statements* will be used to prepare the *invoice*. Any net difference between the *preliminary settlement statements* and the subsequent *final settlement statements* will be reflected in the *invoice* for the next *billing period*.

### Financial Market

The *IESO* will issue a *settlement invoice* for the financial market in accordance with **MR Ch.9 s.6.3.8**. The financial market *settlement invoice* will include all *market participant* payments due to the *IESO* and all *IESO* payments due to *market participants* for all *settlement charge types* that appear on a financial market *settlement statement*.

## 2.2. Payment of Settlement Invoices

(MR Ch.9 s.6.13)

*Market participants* should note that *invoice* payments are due on the *market participant payment date* regardless of any outstanding queries or disputes regarding the *settlement*

*invoice*, in accordance with **MR Ch.9 s.6.13.1**, except where the *invoice* relates to financial penalties<sup>8</sup>. The *market participant payment date* is as follows:

- financial market: second *business day* following the issuance of the *invoice*, in accordance with **MR Ch.9 s.6.3.9**
- *physical market*: second *business day* following the issuance of the *invoice*, in accordance with **MR Ch.9 s.6.3.20**.

The process by which payments are made for all *settlement invoices* issued by the *IESO* is detailed in [MM 5.9: Settlement Payment Methods and Schedule](#).

– End of Section –

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<sup>8</sup> In the case of a dispute relating to a financial penalty, the obligation to settle the penalty payment may be deferred until the dispute is resolved in accordance with the dispute resolution process set out in [MM 2.1: Dispute Resolution](#).

## 3. Retrieving Settlement Invoices

*Market participants* are responsible for retrieving and downloading their *settlement invoices*, which are available in the XML format, from the [IESO Reports site](#).

For information on how to download *settlement invoices*, refer to [Retrieving Reports via the IESO Reports Site](#) available under the Quick Takes section on the [IESO Marketplace Training](#) webpage.

For additional information on using an application programming interface (API) to automatically retrieve reports from the IESO Reports site, refer to the following documents:

- [IESO Reports Site – Access Interfaces for Confidential Reports](#) available under the IESO Reports API Guide section on the [Technical Interfaces](#) webpage;
- [Outbound Automated Document -Application Programming Interface](#) available under the XML and Automated Documents section on the [Technical Interfaces](#) webpage; and
- [Market Manual 6: Participant Technical Reference Manual](#) available on the [Market Rules and Manuals](#) webpage.

### 3.1. Failure in Accessing Settlement Invoice

(MR Ch.9 ss.6.12.4-6.12.5)

*Settlement invoices* are considered issued when the IESO has made them accessible to *market participants* on the [IESO Reports site](#), in accordance with the dates specified in the *SSPC*.

If a *market participant* fails to receive a *settlement invoice* on the date specified in the *SSPC*, it is the responsibility of the *market participant* to notify the IESO, in accordance with **MR Ch.9 s.6.12.4**, via IESO Customer Relations at [customer.relations@ieso.ca](mailto:customer.relations@ieso.ca) or by calling the telephone number provided on the [IESO website](#) on the [Contact](#) page. The IESO will assume that a *market participant* has been able to retrieve their *settlement invoice* from the IESO Reports site unless the *market participant* notifies the IESO to the contrary.

When a *market participant* notifies the IESO that no *settlement invoice* was issued in accordance with the *SSPC*, the IESO will investigate the matter. The IESO will provide the *market participant* with an explanation and, if necessary re-issue the appropriate *invoice* in accordance with **MR Ch.9 s.6.12.5**. The *settlement invoice* will be considered to be received on the date that the re-issued *invoice* is submitted to the *market participant*.

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## 4. Interpreting and Reviewing Settlement Invoices

(MR Ch.9 s.6.12.2)

At a minimum, the *settlement invoice* will contain a unique *invoice* number and, in accordance with **MR Ch.9 s.6.12.2**, the following information:

- the dollar amounts which are to be paid by, or to the *market participant*, identified by *charge type* and a description of the charge;
- the *market participant payment date* by which such amounts (if any) are to be paid by the *market participant*, no later than the *close of banking business* of the bank at which the *IESO settlement* clearing account is held; and
- details of the *IESO settlement* clearing account - including the bank name, the account number and *electronic funds transfer* instructions - to which any amounts owed by the *market participant* are to be paid.

For a sample *settlement invoice* and additional information regarding the *settlement invoice*, refer to [The Market Participant Invoice - Report Format](#) document located under Funds Administration on the [Technical Interfaces](#) webpage.

Manual *invoices* will have the same format as a *settlement invoice* but will have manual line entries in place of the standard *charge types* that appear on the *settlement invoice*, except where the *invoice* relates to financial penalties<sup>9</sup>. *Market participants* will be notified that a *manual invoice* is available for retrieval when released by the *IESO* via the *IESO* Report Site.

### 4.1. Reviewing Settlement Invoices

It is the responsibility of the *market participant* to review the *settlement invoice* and:

- identify any payment errors, and/or
- determine if there are any questions regarding the *invoice*.

Any questions regarding the *settlement invoice* may be directed to *IESO* Customer Relations as per [section 1.4](#).

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<sup>9</sup> In the case of a dispute relating to a financial penalty, payment may be deferred until the dispute is resolved in accordance with the dispute resolution process set out in [MM 2.1: Dispute Resolution](#).

## 5. Invoice Delays and Estimated Invoices

(MR Ch.9 ss.6.3.27-6.3.29 and Ch.9 s.6.3.32)

Where the *IESO* determines that significant inaccuracies exist in a *preliminary settlement statement* for a *trading day* (or another, unrelated reason), it may delay the issuance of that *settlement statement* from the dates specified in the *SSPC*. In such a situation, the *IESO* will *publish* a notice of delay. Refer to [MM 5.7: Settlement Process](#) for more information on this process.

In accordance with **MR Ch.9 s.6.3.27**, the *IESO* may determine that a delay in issuing a *settlement statement* will prevent the *IESO* from issuing the *invoice* for a *billing period* on, or within one *business day* of, the date specified in the *SSPC*<sup>10</sup>. In such situations, the *IESO* will issue an estimated *invoice* to *market participants* within two *business days* of the date specified in the *SSPC* in accordance with **MR Ch.9 s.6.3.29**.

Where the *IESO* delays issuing an *invoice*, as described above, it will *publish* a notice that indicates whether the *IESO* intends to delay the *market participant payment date* and the *IESO payment date* associated with the delayed *invoice* by one *business day* from that specified in the *SSPC*. The notice of revised *payment dates* will be *published* on the *IESO* website.

Where an estimated *invoice* is issued to a *market participant*, the *IESO* will adjust the *invoice* for the *market participant* covering the next *billing period* in accordance with **MR Ch.9 s.6.3.32** to reflect any net difference between the estimated *invoice* and the *invoice* that would have been issued if the estimating process had not been required.

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<sup>10</sup> Part of the information provided in the notice of delay for a *settlement statement* is whether the *IESO* intends to invoke the estimated *invoice* process. Other reasons for delaying an invoice would include market system problems.

## Appendix A: Forms

This appendix contains a list of forms associated with this procedure, which are available on the [IESO website](#). The forms included are as follows:

**Table A-1: Forms**

| Form Name | Form Number |
|-----------|-------------|
| N/A       |             |

– End of Section –

## References

| Document ID    | Document Title  |
|----------------|---|
| MDP_RUL_0002   | Market Rules  |
| PRO-408        | Market Manual 1: Connecting to Ontario's Power System, Part 1.5: Market Registration Procedures |
| MDP_PRO_0017   | Market Manual 2: Market Administration, Part 2.1: Dispute Resolution                            |
| MDP_PRO_0029   | Market Manual 4: Market Operations, Part 4.4: Transmission Rights Auction                       |
| MDP_PRO_0033   | Market Manual 5: Settlements, Part 5.5: IESO-Administered Markets Settlement Amounts            |
| MDP_PRO_0035   | Market Manual 5: Settlements, Part 5.6: Non-Market Settlement Programs                          |
| MDP_PRO_0046   | Market Manual 5: Settlements, Part 5.7: Settlement Process                                      |
| MDP_PRO_0036   | Market Manual 5: Settlements, Part 5.9: Settlement Payment Methods and Schedule                 |
| IMP_LST_0001   | IESO Charge Type and Equations  |
| IMO_MAN_0024   | Market Manual 6: Participant Technical Reference Manual   |
| IMP_REP_0049   | The Market Participant Invoice – Report Format  |
| Quick Take     | Retrieving Reports via the IESO Reports Site  |
| IMO_SPEC_0100  | Outbound Automated Document: Application Programming Interface                                  |
| Training Guide | IESO Reports Site – Access Interfaces for Confidential Reports                                  |
| Training Guide | Introduction to the IESO Settlement Process   |

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