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Update on Implementation for the Replacement of the Settlement System Project

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Purpose

- Refresher on the Replacement of the IESO's Settlement System (RSS)
- Overview of changes, and Market Participant impacts
- Outline next steps and implementation timelines



Refresher on RSS Project

Refresher: What is the RSS Project?

- The RSS project is a largely behind-the-scenes project that will bolster the IESO's ability to provide settlement services. The project will:
 - Address current technical limitations
 - Provide a new ability to address settlement statement disagreements transparently and efficiently
 - Enable settlement updates being introduced as a part of the Market Renewal Program (MRP)

Refresher: What is the RSS Project? (Cont'd)

- The project does not include any changes to systems that are upstream or downstream of the Settlement System
- Updates to charge types and equations relating to MRP will be included as part of the MRP project



Overview of Changes and Market Participant Impacts

What's Changing Under RSS for Market Participants?

1. Enhancements to Online Settlement Form submissions and Notice of Disagreement systems
2. Settlements Disagreement and Resettlements Process
 - Associated market rule amendments
 - New recalculated settlement statements
3. Amended Charge Types

1. Enhancements to ONSLF system

- Consolidation of how participants submit information for settlement through the Online Settlement Forms (ONLSF)
 - 4 new forms with file upload capability
 - 6 existing forms have file upload capability added
- Please see Appendix for details on specific online settlement forms to see whether or not you are impacted by these changes

Enhancements to NOD system

- Notice of Disagreement (NOD) system enhanced to support addition of recalculated settlement statement (RCSS) and ability to initiate a NOD on FSS and RCSS.
 - Training materials to be distributed in August ahead of Market Trials
 - File Format Specs, Charge Types and Equations and Settlements Calendars are currently available on [Pending Changes](#)
- Deadline for Notice of Disagreement extended from 4 days to 6 days following Preliminary Settlement Statement
- Introducing a limitation for resettlements two years after the trade month, after which the IESO will not further restate a trade date

Market Participant Actions Needed

- MPs should review their business processes to incorporate the new extended NoD Window, the ability to file NoDs on RCSS, and the file upload capability for forms (as indicated in the appendix)
- MPs, especially from the LDC community, should consider participating in Market Trials in September, with more detail on test cases and training guides available in August

2. Settlement Disagreements and Resettlements Process

- Introducing recalculated settlement statements (RCSS) between Final Settlement Statements (FSS) and the end of the limitation for resettlements to restate a trade date's settlement charges
- Establishing an ultimate limitation period of two years for disputes, after which no market participant may submit or serve, and no action shall be taken with respect to, a notice of dispute

Limitation Period Changes by Disagreement Channel

Settlement Statement Errors and Omissions

- Extended current Notice of Disagreement period for the Physical Market from 4 business days to 6 business days after the Preliminary Settlement Statement (PSS), and applying it to all new or resettled charges on every settlement statement; apply to all new or resettled charges on every settlement statement including PSS, FSS and applicable RCSS up to two-years after the trade date.

Metering Disagreements

- Limitation period of up to 23 months after the trade date

IESO Statement Validation Process

- Limitation period of up to 23 months after the trade date

Market Participant Actions Needed

- MPs should review their business processes to incorporate the new limitation period
- MPs should review the documents posted to understand the frequency of the RCSS, and the format specifications for the settlement statement changes

3. Amended Charge Types

- Break-out of dispatchable energy settlement into separate components
 - Existing CT 100 to be replaced by 4 charges, including:
 - CT 1101 (dispatchable generators)
 - CT 1103 (dispatchable loads)
 - CT 1111 (imports)
 - CT 1113 (exports)
- No change to the formulas behind settlement, solely increased specificity and granularity for participants

Amended Charge Types (Cont'd)

- Break-out of non-dispatchable energy settlement into separate components
 - Existing CT 101 to be replaced by 2 charges, including:
 - CT 1114 (non-dispatchable generators)
 - CT 1115 (non-dispatchable loads)
- Three new Operating Reserve charge types will be implemented along with RSS
 - CT 206 (10-Minute Spinning non-Accessibility Settlement Amount)
 - CT 208 (10-Minute non-Spinning non-Accessibility Settlement Amount)
 - CT 210 (30-Minute non-Accessibility Settlement Amount)

Location Specific GA Changes

- The new settlement system has been expanded to better support location-level settlement of Global Adjustment
- Settlement of the following charge types will now be per location:
 - CT 147 (Class A Global Adjustment)
 - CT 148 (Class B Global Adjustment)
 - CT 1148 (Class B Global Adjustment Energy Storage Reimbursement)
- Further details contained in the appendix

MP Record Structure

- The structure of manual settlement adjustments ('MP' records) will now match the structure of the automated settlement records ('DP' records)

Existing Manual Adjustments Structure (14 columns):

MP|142|31-AUG-2021|0|0|1000.00|ONZN||P|||0.13|130.00|Sample RPP Claim

NEW Manual Adjustments structure (35 columns, supporting data added where applicable):

MP|142|31-AUG-2021|0|0|1000.00|ONZN||P|500.000|||||||300.000|||||||Sample RPP Claim|.13|130.00

- Select existing charge types will have additional supporting information added ('DP' records)

Market Participant Actions Needed

- MPs should review the settlement statement changes and consider the downstream impact of the charge type changes
- MPs should review the format specifications for the settlement statement changes, if needed, for data integration processes



Next Steps and Implementation Timelines

RSS Implementation

- **RSS Go-Live is Scheduled for November 1, 2022**
- **When will market trials testing happen?**
 - Market Trials to occur in September 2022. Test cases and training guides to be distributed before market trials.
- **What is being tested during market trials?**
 - The Online Settlement Forms and Notice of Disagreement Systems
- **Who should be involved?**
 - MP staff who are involved in the submission and retrieval of settlement data and initiating notices of disagreement

RSS Implementation (cont'd)

• **What documentation is available?**

Currently available on IESO's [Pending Changes](#) webpage

- **Format Specifications for Settlement Statement Files and Data Files (IMP_SPEC_0005)**
 - Introducing the concept of Recalculated Settlement Statements (RCSS), a new type of statement that will be issued for the Physical and Financial markets as part of the implementation of MR-00472
 - Highlighting changes to the content and structure of existing Preliminary and Final Settlement Statements
 - Output specifications for planned new charge types related to OR accessibility and energy breakout
- **IESO's Charge Types and Equations (IMP_LST_0001)**
 - Calculation details for planned new charge types relating to OR accessibility and energy breakout currently scheduled to start with RSS
- **Draft Physical and Financial calendars for 2022 and 2023**
 - Highlighting the addition of new RCSS statements and other related changes under MR-00472
- **NOD Workflow Diagram**

Market Participant Actions Needed

- MPs should review their business processes to incorporate the new extended NoD Window, the file upload capability for forms, and the limitation period
- MPs should review the documents posted to understand the frequency of the RCSS, and the format specifications for the settlement statement changes
- MPs, especially from the LDC community, should consider participating in Market Trials in September, with more detail on test cases and training guides available in August

Implementation Timeline

Activity	2022					
	Jul	Aug	Sep	Oct	Nov	Dec
File Format Specifications	■					
Charge Type and Equations	■					
Training Guides and Market Trials Test Cases		■				
Market Trials			■			
Go-Live					■	

Thank You

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Appendix: Online Settlement Forms Overview

No.	Name	Description	File Upload Capability
Forms with updates			
1	Rpp Conventional Meters	Regulated Price Plan vs. Market Price - Variance for Conventional Meters	Yes
4	Embedded Generation	Embedded Generation, Energy Storage, and Class A Load Information	Yes
6	Submission of Transmission	Submission of Transmission Service Charges for Embedded Generation	Yes
10	Feed-In Tariff	Feed-In Tariff Program - LDC & Embedded LDC	Yes
13	Coincident Peak	Coincident Peak Data for Class A Consumer Consumption, Embedded Generation and Energy Storage	Yes
15	OESP - LDC	Ontario Electricity Support Program (OESP) - LDC & USMP	Yes
25	OREC-OESP Variance - USMP	OREC-OESP Variance - USMP	Yes
26	NGE	Natural Gas Expansion	No
New Forms			
41	OPG PA	OPG Hydroelectric Prescribed Assets Embedded Measurement	Yes
42	Alternative Regulation Service	Alternative Regulation Service	Yes
45	Regulation Services (New)	Regulation Services	Yes
47	Coincident Peak Data Update	Coincident Peak Data Update for Class A Consumers	Yes
Retired Forms			
17	OREC - LDC	Ontario Rebate for Electricity Consumers (OREC) - LDC & USMP	Retired
18	OREC - Sub-Meter Provider	Ontario Rebate for Electricity Consumers (OREC) - Sub-Meter Provider	Retired
21	OFHP - Financing	Ontario Fair Hydro Plan - Financing Entity Funding Expenses	Retired
30	CEAP	COVID-19 Energy Assistance Program	Retired
31	CEAP - SB	COVID-19 Energy Assistance Program - Small Business	Retired
32	CEAP - 2021-2022	COVID-19 Energy Assistance Program - 2021-2022	Retired

Appendix: Online Settlement Forms Overview

No.	Name	Description	File Upload Capability
Forms with No Changes			
2	Rpp Smart Meters	Regulated Price Plan vs. Market Price - Variance for Smart Meters	No changes
3	Rpp Final Variance	Regulated Price Plan - Final Variance Settlement Amount	No changes
5	Renewable RESOP	Renewable Energy Standard Offer Program (RESOP) - LDC & Embedded LDC	No changes
7	NUG Adjustment	NUG Adjustment Amount Information	No changes
8	Global Adjustment	Global Adjustment Amount Information	No changes
9	HESOP	Hydroelectric Standard Offer Program (HESOP)	No changes
11	GCG	Generation Cost Guarantee	No changes
14	Procurement Contracts	Procurement Contracts	No changes
16	OESP - Service Providers	Ontario Electricity Support Program (OESP) - Service Providers	No changes
19	OFHP - Non-RPP - LDC	OFHP for Eligible Non-RPP Customers - LDC & USMP	No changes
20	DRP	Distribution Rate Protection (DRP)	No changes
22	RRRP - Fixed Rate	Rural or Remote Rate Protection (RRRP) - Fixed Rate Credit	No changes
23	FNDC	First Nations On-Reserve Delivery Credit (FNDC)	No changes
24	HCI	Hydroelectric Contract Initiative	No changes
27	OER	Ontario Electricity Rebate (OER) - LDC & USMP	No changes
28	OER-OESP Variance - USMP	OER-OESP Variance - USMP	No changes
29	OFHP RPP Adjustment - LDC	OFHP RPP Adjustment - LDC	No changes

Location-based GA Settlement Statement Scenarios

Purpose: To provide examples to expand on how location based GA charges will be presented on a settlement statement.

Notes:

- No change to the GA regulation, no change to calculations, no impact to invoices
- Locations IDs reference a delivery point
- Will be implemented in Q4 2022, with the Replacement of the Settlement System

Location-based GA Settlement Statement Scenarios

- Scenarios
 - Scenario 1: Participant has only Class A Locations
 - Scenario 2: Participant has only Class B Locations
 - Scenario 3: Participant has Class A and B Locations (Hybrid)

Note: Scenarios and examples are completely fictional

Scenario 1: Participant has only Class A Locations (4)

Current Settlement Statement:

```
SC|147|CLASS A GLOBAL ADJUSTMENT SETTLEMENT AMOUNT|31-JUL-2021|-12340.00|N
DP|147|31-JUL-2021|0|0|-12340.00|ONZN||P|||||||-1000000000.00|||||||0.00001234|.13|-1604.20
```

Participant-Level Settlement Amount Participant-Level Peak Demand Factor

New Settlement Statement

```
SC|147|CLASS A GLOBAL ADJUSTMENT SETTLEMENT AMOUNT|31-JUL-2021|-12340.00|N
DP|147|31-JUL-2021|0|0|-570.00|ONZN|987654|P|||||||-1000000000.00|||||||0.00000057|.13|-74.10
DP|147|31-JUL-2021|0|0|-780.00|ONZN|987653|P|||||||-1000000000.00|||||||0.00000078|.13|-101.40
DP|147|31-JUL-2021|0|0|-3940.00|ONZN|987652|P|||||||-1000000000.00|||||||0.00000394|.13|-512.20
DP|147|31-JUL-2021|0|0|-7050.00|ONZN|987651|P|||||||-1000000000.00|||||||0.00000705|.13|-916.50
```

Location-Level Settlement Amount Class A Location ID Location-Level Peak Demand Factor

Scenario 2: Participant has only Class B Locations (4)

Current Settlement Statement:

SC|148|CLASS B GLOBAL ADJUSTMENT SETTLEMENT AMOUNT|31-JUL-2021|-330008.02|N

DP|148|31-JUL-2021|0|0|-330008.02|ONZN|P||||8455839.856||||-780395395.65|0||||3575.745|0|||0|0|0|||.13|-42901.04

↑
Participant-Level Settlement Amount

↑
Participant-Level Class B Load

New Settlement Statement

SC|148|CLASS B GLOBAL ADJUSTMENT SETTLEMENT AMOUNT|31-JUL-2021|-330008.02|N

DP|148|31-JUL-2021|0|0|-11393.84|ONZN|**123456**|P||||8455839.856||||-780395395.65|0||||123.456|0|||0|0|0|||.13|-1481.20

DP|148|31-JUL-2021|0|0|-42157.38|ONZN|**123455**|P||||8455839.856||||-780395395.65|0||||456.789|0|||0|0|0|||.13|-5480.46

DP|148|31-JUL-2021|0|0|-72828.72|ONZN|**123454**|P||||8455839.856||||-780395395.65|0||||789.123|0|||0|0|0|||.13|-9467.73

DP|148|31-JUL-2021|0|0|-203628.08|ONZN|**123453**|P||||8455839.856||||-780395395.65|0||||2206.377|0|||0|0|0|||.13|-26471.65

↖ ↗
Location-Level Settlement Amount

↖ ↗
Class B Location ID

↑
Location-Level Class B Load

Scenario 3: Participant has Class A and B Locations

Current Settlement Statement:

SC|147|CLASS A GLOBAL ADJUSTMENT SETTLEMENT AMOUNT|31-JUL-2021|-12340.00|N

SC|148|CLASS B GLOBAL ADJUSTMENT SETTLEMENT AMOUNT|31-JUL-2021|-330008.02|N

DP|147|31-JUL-2021|0|0|-12340.00|ONZN||P|||||||-1000000000.00|||||||0.00001234|.13|-1604.20

DP|148|31-JUL-2021|0|0|-330008.02|ONZN||P|||||8455839.856|||||-780395395.65|0||||3575.745|0|||0|0|0|||.13|-42901.04

(CONTINUED ON NEXT SLIDE)

Scenario 3: Participant has Class A and B Locations

New Settlement Statement (Cont'd)

SC|147|CLASS A GLOBAL ADJUSTMENT SETTLEMENT AMOUNT|31-JUL-2021|-12340.00|N
SC|148|CLASS B GLOBAL ADJUSTMENT SETTLEMENT AMOUNT|31-JUL-2021|-330008.02|N
DP|147|31-JUL-2021|0|0|-570.00|ONZN|**987654**|P|||||||1000000000.00|||||||0.00000057|.13|-74.10
DP|147|31-JUL-2021|0|0|-780.00|ONZN|**987653**|P|||||||1000000000.00|||||||0.00000078|.13|-101.40
DP|147|31-JUL-2021|0|0|-3940.00|ONZN|**987652**|P|||||||1000000000.00|||||||0.00000394|.13|-512.20
DP|147|31-JUL-2021|0|0|-7050.00|ONZN|**987651**|P|||||||1000000000.00|||||||0.00000705|.13|-916.50
DP|148|31-JUL-2021|0|0|-11393.84|ONZN|**123456**|P||||8455839.856||||-780395395.65|0|||123.456|0||0|0|0|||.13|-1481.20
DP|148|31-JUL-2021|0|0|-42157.38|ONZN|**123455**|P||||8455839.856||||-780395395.65|0|||456.789|0||0|0|0|||.13|-5480.46
DP|148|31-JUL-2021|0|0|-72828.72|ONZN|**123454**|P||||8455839.856||||-780395395.65|0|||789.123|0||0|0|0|||.13|-9467.73
DP|148|31-JUL-2021|0|0|-203628.08|ONZN|**123453**|P||||8455839.856||||-780395395.65|0|||2206.377|0||0|0|0|||.13|-26471.65