

# Market Renewal Program Feedback Form

## Market Renewal Implementation – Draft Market Settlements, Metering and Billing Market Rules and Market Manuals – December 1, 2022

### Feedback Provided by:

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To promote transparency, feedback submitted will be posted on the Implementation Engagement webpage unless otherwise requested by the sender.

Following publication on December 1, 2022 the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the draft Market Settlements, Metering and Billing batch of Market Rules and Market Manuals amendments. The draft documents can be accessed from the [Implementation Phase documents webpage](#). Additionally, materials for the December 14, 2022 webinar where the IESO will provide an overview of the documents and will be posted to the [engagement web page](#).

**Please submit feedback to [engagement@ieso.ca](mailto:engagement@ieso.ca) by February 21, 2023.** If you wish to provide confidential feedback, please mark the document "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

## Market Rules – Chapter 6: Energy – Revenue Meter Registration

What feedback do you have on the Chapter 6: Energy – Revenue Meter Registration draft market rule amendments?

Section / Topic	Feedback
10.3.2	The IESO has not addressed the reason or need for the deletion of 'Periodic Energy Metering' section 10.3.2. Please provide an explanation and rationale for deleting this section which references non-dispatchable load facilities. Please provide a description of the impacts to LDCs, if any.

## Market Rules – Chapter 7: Hydroelectric Resources – Optional Registration Requirements

What feedback do you have on the Chapter 7: Hydroelectric Resources – Optional Registration Requirements draft market rule amendments?

Section / Topic	Feedback
n/a	No comment.

## Market Rules – Chapter 8: Physical Bilateral Contracts and Financial Markets

What feedback do you have on Chapter 8: Physical Bilateral Contracts and Financial Markets draft market rule amendments?

Section / Topic	Feedback
n/a	No comment

## Market Rules – Chapter 9: Market Settlements, Market Billing and Funds Administration

What feedback do you have on the Chapter 9: Market Settlements, Market Billing and Funds Administration draft market rule amendments?

Section / Topic	Feedback
2.14 Market Remediation	LDCs have several concerns with section 2.1.4 Market Remediation which require IESO attention. Please see the following:  (1) LDCs require greater details with respect to communications from the IESO with LDCs and the future notification processes that the IESO may undertake in the event of any DAM failures, e.g., how the IESO might communicate and notify the LDCs of a DAM failure, and the actions that are required on the part of LDCs in response.

Section / Topic	Feedback
	<p>(2) We request the IESO provide examples with respect to new hourly physical transaction settlement amount for NDLS in the event of a DAM failure. This should be included as part of a market manual.</p> <p>(3) It is unclear to distributors if the IESO will be publishing RTM Ontario zonal prices as part of regular business processes, or only in the event of a DAM failure.</p> <p>We also note that there is a requirement to coordinate with the OEB in the event of a DAM failure – e.g., appropriate accounting practices, guidelines, and settlement procedures during DAM failure events. This will include how LDCs are to communicate events with customers (e.g., replacement of prices on bills, etc.).</p>
3.1.5a HPTSA – Realtime Balancing, physical bi-lateral contracts	Please clarify settlement with respect to physical bi-lateral contracts where the location is specific to a non-dispatchable load, specifically, when it is appropriate to <u>exclude</u> the load forecast deviation charges for such settlements.
3.2.2 HTPSA – Non-Dispatchable Resources, Non-Dispatchable Loads	<p>Please confirm that <math>DAM\_LMP^z_h</math> and <math>LFDC_h</math> each reflect hourly prices. LDCs would like confirmed if <math>HPTSA\_NDL_{k,h}</math> is an amount that will be produced, and for each settlement hour.</p> <p>LDCs are seeking additional analysis from the IESO. The IESO should provide details with respect to the expected magnitude of the <math>LFDC_h</math> relative to the <math>DAM\_LMP^z_h</math> such that the OEB and LDCs can assess the relative impact that this new charge will have and consider appropriate accounting practices (e.g., variance accounts, etc.) To fully quantify the impacts, the IESO should produce the impacts for one of the smallest LDCs and one of the largest LDCs in the province. We are concerned that the magnitude of true-up between these various processes may produce a material impact. Please provide a sample quantification of reasonable materiality between the two processes.</p>
3.2.4.1 HTPSA – Non-Dispatchable Resources, Non-Dispatchable Generation, including Self scheduling storage	<p>We note the addition of NDG settlement is a change from the detailed design phase.</p> <p>Please confirm that <math>HPTSA\_NDG_{k,h}</math> does not apply to embedded retail generators.</p>

Section / Topic	Feedback
	<p>We also note that this is a change from the revised design contemplated for energy storage resource (e.g., self-scheduling storage, with the load side being settled as a PRL). With respect to non-dispatchable storage, please confirm that the load side will have DAM participation requirements (i.e., as a PRL), while the generator side will not have DAM participation requirements (i.e., self-schedules).</p> <p>We note that consideration of energy storage appears to be an “after thought” in the MRP. Given that the IESO will continue to treat energy storage as two separate resources (e.g., load resource plus generation resource), it is important to ensure that changes impacting loads and generation are also evaluated from the perspective of an energy storage resource.</p>
4.7.2 Internal Congestion Rent and Loss Residuals	<p>Please verify and confirm that 'M' refers to the set of all loads except NDLS and that 'M1' is the set of all NDLS. We noted a discrepancy in the formulas between the detailed design phase and these draft market rule amendments.</p> <p>LDCs are seeking additional analysis from the IESO. The IESO should provide details with respect to the expected magnitude of the Internal Congestion Rent and Loss Residuals for one of the smaller LDCs and one of the largest LDCs using real case scenarios. These impacts will assist the OEB and LDCs to assess the relative impact that this new charge will have and consider appropriate accounting practices (e.g., variance accounts, etc.). LDCs are concerned that the magnitude of true-up between these various processes may produce a material impact. Please provide a sample quantification of reasonable materiality between the two processes.</p>
4.7.3 Internal Congestion Rent and Loss Residuals	<p>Please verify and confirm that the superscript 'M' refers to the set of all loads (including PRLs). We note a discrepancy in the formulas between the detailed design phase and these draft market rule amendments.</p>
4.8 External Congestion Rent and Loss Residuals	<p>External congestion residuals were not contemplated as part of the detailed design phase, and therefore, these formulas are new to LDCs in their review.</p> <p>Currently, we do not note any concern with respect to the formulas. However, we note the merits of additional peer review to ensure there are no errors/corrections required for the formulas. Additional materials supporting these changes (like those prepared during the detailed design phase) are recommended to help stakeholder awareness and knowledge of these changes and their implications.</p> <p>Further, we note that while one congestion rent and loss residual was considered during the detailed design phase, there are now multiple residual</p>

Section / Topic	Feedback
	line-items to be accounted for in settlement. We request that the IESO provide as much detail as possible with respect to the expected magnitude of these line items relative to other settlement amounts, so that appropriate accounting considerations can be anticipated (e.g., variance accounts, etc.).

## Market Rules – Chapter 9: Appendices

What feedback do you have on the Chapter 9: Appendices?

Section / Topic	Feedback
n/a	No comment.

## Market Rules – Chapter 11: Definitions

What feedback do you have on the Defined Terms?

Section / Topic	Feedback
Ontario zonal price	<p>More precise language for this definition is required.</p> <p>We note that the price that is applicable to non-dispatchable loads (under normal conditions when DAM is functioning), is the DAM Ontario zonal price <b>plus</b> the load forecast deviation charge.</p> <p>Also, we note that the RTM Ontario zonal price will be applicable to NDG resources only (under normal conditions when DAM is functioning).</p> <p>This definition needs to be more prescriptive and illustrative, leaving no room for interpretation across the province.</p>

## Market Manual 1.5

What feedback do you have on draft Market Manual 1.5?

Section / Topic	Feedback
N/a	No comment

## Market Manual 4.4

What feedback do you have on draft Market Manual 4.4?

Section / Topic	Feedback
N/a	No comment

## Market Manual 5.3

What feedback do you have on draft Market Manual 5.3?

Section / Topic	Feedback
N/a	No comment

## Market Manual 5.5

What feedback do you have on draft Market Manual 5.5?

Section / Topic	Feedback
See general comments below.	See general comments below.

## General Comments/Feedback

The EDA notes that this batch of draft market rule amendments is incomplete and does not include:

- Market Manual 5: Settlements, Part 5.6: Non-Market Settlement Programs
- Market Manual 5: Settlements, Part 5.7: Settlement Process (MRP updates to follow RSS publication)
- Market Manual 5: Settlements, Part 5.8: Settlement Invoicing (MRP updates to follow RSS publication)
- Market Manual 5: Settlements, Part 5.10: Settlement Disagreements (MRP updates to follow RSS publication)
- IESO Charge Types and Equations

The delay of these materials, particularly charge types and equations, could pose a significant issue for MRP implementation, as LDCs and the Ontario Energy Board do not have the required information to detail changes to wholesale market accounting, settlement, invoicing and customer billing. Moreover, the IESO currently does not have a schedule for when this information would be published.

LDCs require instructional information, as contemplated by these Market Manuals, to ensure that wholesale market settlement systems as well as customer invoicing/billing, and accounting practices are updated in time for the planned launch of MRP. We further note that a detailed review of regulatory instruments (e.g., OEB costs, accounting guidance, etc.) cannot proceed until the full package of planned changes are released for review.

LDCs continue to require the following information related to MRP implementation:

- Scope, timelines, process to decide on:
  - enabling legislative amendments; and
  - amendments to regulatory policy (e.g., the mechanics of the Regulated Price Plan (RPP)) and regulatory instruments (e.g., OEB codes including Retail Settlement Code (RSC), Standard Supply Service Code (SSSC), accounting practices, etc.)
- Publishing and reporting of new information (e.g., DAM & RTM prices, LFDCs, CRLRs, etc.)
- Communications with customers, particularly non-RPP customers, as HOEP will be replaced with new wholesale market price (i.e., impacts on LDCs' customer bill is still uncertain)
- Communication with embedded retail generators as HOEP will be replaced by new wholesale market price (i.e., impacts to non-market participant generation is still uncertain), including new LDC settlement of embedded generation with IESO contracts.
- Clarity with respect to "transition period" from existing market to future market