

# 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
	No comment.

## 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
Section 2.2.6A.5	<p>Market Manual 1.5 Section 3.3.2.5 indicates that a Market Participant (MP) is required to submit a time lag for each adjacent downstream linked forebay in a cascade group. The IESO will calculate the remaining time lag values for all other linked forebays.</p> <p>Considering the above requirement, an MP would be required to submit one time lag per forebay (time lag between a forebay and the adjacent downstream forebay in the cascade), rather than multiple time lags per forebay (time lag between a forebay and any subsequent downstream forebays in the cascade), as the remaining time lags would be calculated by the IESO.</p> <p>Please clarify if the above interpretation is correct and revise Section 2.2.6A.5 if required.</p>

## 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
Section 2.1.2	<p>This section mentioned offering a service where selling MP for a physical bilateral contract can assume responsibility for the buying MP's settlement obligations other than energy.</p> <p>OPG interprets that to mean the selling MP can allocate uplifts from the area. Is this correct? If not, please provide the correct interpretation.</p>

Section / Topic	Feedback
Section 3.4.2 (previously Section 4.4.2)	What is the rationale for the deletion of Section 4.4.2.1? This section had allowed a calculation for the transmission transfer capability based on the original Section 4.4.1 (now Section 3.4.1), and sets all IESO payments to zero under the new Section 3.4.2.
Section 3.12	" <i>Market commencement date</i> " has been replaced with "MRP commencement date". "MRP commencement date" is not italicized, and therefore not a defined term. Is there a location within the Market Rules and/or Market Manuals where the date for Market Renewal Program (MRP) commencement is specified?

## 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
Sections 4.4 and 4.5	<p>Section 4.5 outlines the Day-Ahead Market (DAM) Generator Offer Guarantee (GOG) settlement process and does not include consideration for reliability commitment.</p> <p>Section 4.5 outlines the Real-Time (RT) GOG settlement process and does include consideration for reliability commitment.</p> <p>The definition for reliability commitment in Chapter 11 indicates that the commitment process is a manual constraint determined by the IESO.</p> <p>Is it correct to assume that there is requirement for manual constraints in the DAM, but there could be requirement for manual constraints in the RT? Hence, the RT GOG settlement process could contain a reliability commitment component, while it is excluded from the DAM GOG settlement process?</p>
Sections 4.5.3, 4.5.4 and 4.5.5	Can the IESO please clarify what defines Variant #2 and Variant #3 in calculating the RT GOG for non-pseudo units?
Section 4.6	OPG recommends the IESO to provide a clearer definition of what is the 'Ramp-Down' period in Chapter 9 Section 4.6, with consideration given to resource injection, ramping direction and ramp rates. See comment for Market Manual 5.5 Section 2.23.

Section / Topic	Feedback
Section 6.3.18	<p>This section states: <i>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 <b>six business days</b> in which to notify the IESO of errors or omissions in the recalculated settlement statement in accordance with section 6.8.</i></p> <p>The Recalculated Settlement Statement (RCSS) will be issued on the same day by month by version. It is possible for MPs to receive a high volume of RCSS statements on the same day. Based on the Physical Resettlement Calendar released by the IESO in anticipation of an in-service date of November 1, 2023 for Replacement of the IESO Settlement System (RSS), on December 15, 2024, the IESO could issue up to <u>210 statements</u> from past trade dates within the two year period, i.e., all the different versions of RCSS-1 to RCSS-Final statements for past seven trade months. It would be very extremely challenging for MPs to review and process such a high volume of RCSS statements within six business days.</p> <p>OPG proposes to extend to 20 business days for RCSS Notice of Dispute (NOD) process.</p>
Section 6.8.12	<p>This section outlines various scenarios where Notice of Disagreement (NOD) cannot be submitted (e.g., if the submission deadline passed).</p> <p>Section 6.8.12.10 references Market Rules Chapter 7 Section 22.8 for the explanation that no NOD will be accepted subject to the independent review process. In this case, would the NOD be open again once the Independent Review Process is completed? During the Independent Review process, would the settlement be calculated based on the as-registered reference levels?</p>
Section 6.16.5.1.b	Should the reference to Chapter 8 Section 3.19.6 be Chapter 8 Section 3.19.7?

## Market Rules – Chapter 9: Appendices

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

Section / Topic	Feedback
	No comment.

## Market Rules – Chapter 11: Definitions

What feedback do you have on the Defined Terms?

Section / Topic	Feedback
Advanced Pre-Dispatch Operational Commitment, Day-Ahead Operational Commitment, Day-Ahead Operational Commitment, stand-alone pre-dispatch operational commitment	OPG is unable to locate Chapter 7 Sections 5B.2.2.1, 4B.2.2.2, 5B.2.2.2 and 5B.2.2.5 referenced in the definitions.
Cascade group	<p>"<i>Cascade group</i> means one or more <i>forebays</i> in a cascade river system ..."</p> <p>Can the IESO please provide clarity on why a cascade group could be composed of more than two forebays.</p>
Start-Up Notice	Chapter 7 Section 10.1 has been left blank in the Consolidated Batch. Recommend revising the reference used for this definition.
Time Lag	In Market Manual 1.5 Section 3.3.2.5, the definition of time lag uses the term "forebay" instead of "hydroelectric generation facility". OPG recommends alignment of terms used within the time lag definition between Chapter 11 (from Consolidated Batch) and Market Manual 1.5.

## Market Manual 1.5

What feedback do you have on draft Market Manual 1.5?

Section / Topic	Feedback
Section 2.2.1, Table 2-2	There is a new paragraph under Ontario Energy Board Licence section that provides exemption to the OEB licence requirement. Is this exemption solely reference to the Capacity Auction process? Does this exemption apply to other areas of market participation?
Section 3.3.2	<p>"This section applies to <i>dispatchable</i> hydroelectric <i>generation</i> resources with a primary fuel type of Water."</p> <p>OPG recommends either removing "hydroelectric" or "with a primary fuel type of Water" from the above sentence.</p>

Section / Topic	Feedback
Section 3.3.2.4	<p>“...cascade groups and each cascade group can be comprised of one or more forebays.”</p> <p>See comment for “Cascade Group” in the Chapter 11 Section above.</p>
Section 3.3.2.4	<p>There are two restrictions for the registration of a dispatchable hydroelectric generation resource on the same forebay:</p> <ul style="list-style-type: none"> <li>• all resources registered on a forebay must have <b>the same registered market participant</b>; and</li> <li>• all resources registered on each forebay within a cascade group must have <b>the same owner</b>.</li> </ul> <ol style="list-style-type: none"> <li>1. What is the rationale for the different organization relationship requirement in the restrictions above, i.e., the same owner vs the same registered market participant? This difference will disqualify cascade resources from sharing a forebay if the resources have different owners but have the same registered market participant.</li> <li>2. OPG recommends the organization relationship requirement be aligned for the two restrictions, with the requirement to be having the same registered market participant. This would avoid inadvertently disqualify qualifying resources from sharing the same forebay.</li> <li>3. OPG recommends revising associated definitions, e.g., forebay, if required to address any changes above.</li> </ol>
Section 3.3.2.5	<p>The term “linked resources” has been revised to “linked forebay”. Is there any impact to the Market Power Mitigation reference levels due to this change? The Storage Horizon Opportunity Cost is calculated based on resources, not the forebay which could include multiple resources.</p>
Section 3.3.5	<p>The reference in this section is revised to Market Rules Chapter 7 Section 2.2.22, but this section (in the Consolidated Draft) references a transitional scheduling generator. The original reference to Market Rules Chapter 7 Section 2.2.27 is more appropriate, as it references eligibility for generator offer guarantee.</p>

## Market Manual 4.4

What feedback do you have on draft Market Manual 4.4?

Section / Topic	Feedback
Section 1.2	<p>The settlement of payments related to TR auction is addressed in Market Manual 5.8. This can result in significant changes to the TR auction settlement process.</p> <ol style="list-style-type: none"> <li>1. Has this change been previously communicated and/or stakeholdered with market participants?</li> <li>2. If there are changes to the TR settlement process with the move from Market Manual 5.7 to Market Manual 5.8, when would the revised Market Manual 5.8 be available for stakeholder review?</li> <li>3. Market Manual 5.8 is currently titled "Financial Market Settlement Invoicing", but is listed as "Settlement_Invoicing" in the section. Please revise for alignment.</li> </ol>
Sections 1.2 and 4.2	<p>In the Summary of Changes to Market Manual 4.4 Section 4.2, there is mention of obsolescence of Market Manual 5.5 and its content be restructured to a new Market Manual 5.11. When is this update being implemented? Market Manual 4.4 from the December 2022 Market Settlements, Metering and Billing Batch makes references Market Manual 5.5, not Market Manual 5.11. OPG recommends revising Market Manual 4.4 in anticipation of this change for alignment.</p>
Section 3.0	<p>Should the reference below be MR Ch.8 s.3.11.7?</p> <ul style="list-style-type: none"> <li>• "...allocated to the first round (MR Ch.8 s.3.11.9)."</li> </ul>
Section 4.0	<p>The section refers to a new Market Manual 5.8, which is resultant from the merging of the current Market Manuals 5.7 and 5.8. Market participants would not be able to determine the appropriateness of the revision in Section 4.0 if the new Market Manual 5.8 is not available for review. When would the new Market Manual 5.8 be available for stakeholder review?</p>
Appendix B	<p>There is reference to Market Rules Chapter 7 Section 4.B.1. OPG is unable to locate this section in the MRP Consolidated Draft.</p>

Section / Topic	Feedback
Appendix G, Table G-1	<ol style="list-style-type: none"> <li data-bbox="553 163 1479 317">1. The “TR Payout Process” refers to Market Rules Chapter 8 Section 3.8.1, but Section 3.8.1 outlines the rules for TR participation, not a payout process. Please confirm if Section 3.8.1 is the appropriate reference.</li> <li data-bbox="553 359 1511 632">2. There is reference to Market Manual 4.6: Market Remediation. <ol style="list-style-type: none"> <li data-bbox="651 401 1511 478">a. Is this a new Market Manual? The current Market Manual 4.6 is titled “Real-Time Generation Cost Guarantee Program”.</li> <li data-bbox="651 478 1495 556">b. If this is a new Market Manual, when would it be available for stakeholder review?</li> <li data-bbox="651 556 1511 632">c. What is the treatment for the current Market Manual 4.6 “Real-Time Generation Cost Guarantee Program”?</li> </ol> </li> </ol>

## Market Manual 5.3

What feedback do you have on draft Market Manual 5.3?

Section / Topic	Feedback
Section 1.4	When would Market Manual 5.10 be available for stakeholder review?
Section 2.2	<p>“...one of the above two forms...” in the last sentence implies an “OR” condition. However, the two bullet points above the last sentence is connected by “and”, which implies “AND” condition. The bullet points are also prefaced by “The derived quantity of energy option:”, where the option is singular. Can the IESO please clarify the implication of the “OR” condition in the last sentence?</p>
Section 5.0	<p>There is reference to Market Manual 5.7 in this section. The Summary of Change “Market Manuals – Settlements” section (page 25) indicates that there will be a future release of Market Manual 5.7. However, the description for Market Manual 4.4 Section 4 indicated that Market Manual 5.7 will be superseded by a new Market Manual 5.8, which is resultant from the combination of the current Market Manual 5.7 and 5.8.</p> <ol style="list-style-type: none"> <li data-bbox="553 1514 1187 1556">1. Please clarify the status of Market Manual 5.7.</li> <li data-bbox="553 1598 1479 1675">2. Should the reference in this section be to Market Manual 5.8 instead of Market Manual 5.7?</li> </ol>



Section / Topic	Feedback
General	<ol style="list-style-type: none"> <li data-bbox="553 170 1516 359">1. The Summary of Change indicated that procedural workflows and steps have been removed and replaced with the applicable training guide. It is important to ensure the hyperlinks within the market manual remain active so that market participants can easily access the required information.</li> <li data-bbox="553 407 1516 516">2. The roles and responsibilities section has been removed. Is there another location (within the Market Rules or Market Manuals) where this information is conveyed?</li> </ol>

## Market Manual 5.5

What feedback do you have on draft Market Manual 5.5?

Section / Topic	Feedback
General	<p data-bbox="505 779 1516 1052">There was removal of certain charge types in this draft version Market Manual 5.5, such as Global Adjustment and Regulated Embedded Generation. From the "Summary of Change" document, the removed Market Manual 5.5 Section 1.6.6 Transmission Service Charges for Embedded Generation will be moved to Market Manual 5.6. This is also applicable for Section 1.6.7. The "Summary of Change" did not mention the removal of Section 1.4.6.8 Global Adjustment.</p> <ol style="list-style-type: none"> <li data-bbox="553 1073 1516 1146">1. Please provide the release date of the revised Market Manual 5.6 for review.</li> <li data-bbox="553 1188 1516 1262">2. Where can market participants find the replacement for the removed Section 1.4.6.8?</li> </ol>
Section 2.2.2.1	<p data-bbox="505 1325 1516 1482">There is a reference to Market Rules Appendix 7.5 Section 6.3.1, however, this section has been intentionally left blank in the MRP Consolidated Draft and is not available for market participant review. Please clarify if the reference used is appropriate.</p>

Section / Topic	Feedback
Section 2.23	<p><i>"...as described in MR Ch.9 s.4.6, will be calculated for settlement hours where the GOG-eligible resource's real-time schedule is less than its minimum loading point, indicating the GOG-eligible resource's intent to de-synchronize from the IESO-controlled grid."</i></p> <p>There is a change to the definition for 'Ramp-Down' period in calculating the RT_RDSA for Market Renewal. The section indicates that the 'Ramp-Down' period as the "real-time schedule is less than its minimum loading point", but it does not clearly state if all dispatches below MLP would be considered part of the 'Ramp-Down' period, with consideration for resource injection, ramping direction and changes in ramp rate during these intervals.</p> <ol style="list-style-type: none"> <li>1. OPG interprets that whenever a GOG-eligible resource is dispatched below MLP, regardless of resource injection, ramping direction and ramp rate, those intervals are ineligible for RT GOG. Please confirm if this interpretation is correct.</li> <li>2. OPG recommends the IESO to provide a clearer definition of what is the 'Ramp-Down' period in Chapter 9 Section 4.6, with consideration given to resource injection, ramping direction, and ramp rates.</li> </ol>
Section 5	<p>There is reference to Market Manual 4.6: Market Remediation in this section. Please see comment to Market Manual 4.4, Appendix G, Table G-1 and provide clarity on the status and release date for the new Market Manual 4.6.</p>
General	<p>OPG recommends the IESO to clearly define DAM_GOG and RT_GOG eligibility, with respect to the DAM and the RT market settlement process, in Market Manual 5.5.</p>

## General Comments/Feedback

### Status of Market Rules and Market Manuals

As summarized from the feedback above, please clarify the future status and/or provide the release date the following Market Rules and Market Manual sections referenced in the Market Settlements, Metering and Billings Batch:

- Market Rules Chapter 7 Section 4.B.1;
- Market Rules Appendix 7.5 Section 6.3.1;
- Market Manual 4.6: Market Remediation;
- Market Manual 5.6;
- Market Manual 5.7;
- Market Manual 5.8;
- Market Manual 5.10;
- Market Manual 5.11.

### Hydroelectric Resource Make Whole Payment:

1. For a hydroelectric generator that has a MinDEL requirement in RT scheduling, is there an opportunity to only make RT Make Whole Payment ineligible for hours where a minimum constraint is passed from Pre-Dispatch calculation engine to the RT calculation engine?

### Questions for December 14, 2022 Presentation "Market Renewal Program: Market Settlements – Settlements Rules and Manuals (Part 1 of 3)", Slide 83:

1. What is the ramp rate information (energy ramp up MW and ramp hour) for the DAM\_GOG example on Slide 83?
2. The averaged hourly MW output is at of 40 and 80 for 04:00 and 05:00, respectively. However, assuming that the sync time is at 04:00, the resource needs to be at 100MW at 06:00 the hourly MW output is an averaged MW output for the hour, OPG calculates the average hourly output to be at 25MW and 75MW for 04:00 and 05:00, respectively.

### Impact to Market Renewal Program from Replacement of the IESO Settlement System:

1. The MRP Settlements Batch Market Manuals have not incorporated changes from RSS Implementation, such as the updated NOD process and new RCSS statements. OPG strongly recommends the IESO to streamline the two set of changes to minimize market participant administrative burden (time and resources) in reviewing the manuals.
2. When would the updated MRP Market Rules and Market Manuals that include RSS revisions be available for stakeholder review?

### RSS Implementation Concerns

OPG would like to share four areas of concern (testing, communication, timeline and documentation) regarding the RSS Implementation process.

#### *Testing*

- i. The absence of a second official sandbox testing environment for RSS is a missed opportunity for the IESO and MPs to identify any critical system issues prior to the May 1, 2023 in-service date. This risk was evident from the September 2022 RSS Market Trials and can lead to significant administrative burden for MPs post-RSS implementation, such as requiring manual reconciliation and filing of multiple NODs.
- ii. Statement and Data File Format specifications along with the Charge Types and Equations document are important inputs within the settlement process. OPG understands that the delayed release of the Charge Types and Equations document is due to external factors outside of the IESO's control, but would like to highlight that this delay would have significant impact on the development work on the MP's end in meeting RSS Implementation requirements.
- iii. OPG would like confirmation that issues identified during the September 2022 Market Trials have been resolved and MPs be provided the opportunity to perform re-testing to provide confidence in the issue resolution. Currently, it is not clear that posted sample statements and Data files will be adequate to complete system testing.

- iv. OPG requires the updated Settlement Schedule and Payments calendar to reflect the change from 23 months to 22 months with regard to the final RCSS. The correct schedule is required to complete system testing.

#### *Communication*

- i. OPG proposes the inclusion of a feedback section in the RSS Implementation webpage where MPs can provide dedicated feedback to the initiative.
- ii. There does not appear to be formal communication to MPs when updates are made to the IESO RSS Implementation webpage. OPG proposes that the IESO provide formal notification to all MPs whenever updates are provided, either through dedicated email or through the weekly IESO bulletin. This will ensure timely communication of new information for RSS Implementation for all MPs, particularly as the May 1<sup>st</sup> Implementation date draws near.
- iii. The updated RSS Market Rules include a new defined term: RSS commencement date. RSS commencement date refers to the date on which MR-00475-R00 comes into effect. However, it is unclear the exact location where the RSS commencement date is identified on the IESO website. The uncertainty in confirmation of the RSS commencement date could create issues for system implementation.

#### *Timeline*

- i. The RSS deployment timeline for May 2023 is challenging for MPs, as it overlaps with simultaneous review MRP Settlement Batch of Market Rules and Market Manuals. These initiatives place demand on the same resources at the same time.
- ii. The overlapping RSS and MRP Settlement project timelines, along with changes to the schedules (e.g., changes in documentation release dates) results in challenges and difficulties in engaging external vendors due to uncertainties in the schedule and shortfall in resourcing.
- iii. As indicated previously, MRP Go-Live may double to triple the number of NODs and will trigger more RCSS statements. If multiple versions of RCSS statements are issued on the same day, there may be problems with reviewing all the documents with a NOD deadline of six days. Would the IESO consider extending the RCSS review period from six to 20 days *or* lift the NOD deadline restriction for the first 3-6 months after MRP Go-Live? This is in reference to the feedback to Market Rules Chapter 9 Section 6.3.18.

#### *Documentation*

- i. The MRP initiative does not appear to have considered RSS changes in its documentation of Market Manual 5: Settlements, Part 5.10.
- ii. When would Market Manual 5, Part 5.5 "Physical Market Programs" be available for stakeholder review?

Overall, there is high risk to a successful RSS Implementation due to the absence of an official re-testing period, inconsistent communication, and challenging timelines.

## Market Renewal Implementation Concerns

1. There is increased shadow settlement system calculation complexity and dataset volume due to the detailed charge type definitions. Per review of the market manual, OPG found that the specified charge types that provides the breakdown details of the settlement amounts defined in the MRP Design document increased settlement system calculation complexity and dataset volumes. For example, Congestion Management Settlement Credit calculations only had one charge type; the proposed DAM Make Whole Payment (MWP) consists of four charge types and the proposed Real-Time Market MWP consists of eight charge types. OPG strongly recommends the IESO to allocate sufficient time for sandbox testing and implementation.
2. Market participants may have further comments when all the charge type reviews are completed. Does the IESO plan to have multiple review cycles for Settlement charge types between now and Market Renewal Implementation?
3. Market Participants are waiting for the release date for the two following documents:
  - a. Format Specifications for Settlement Statement Files and Data Files (IMP\_SPEC\_0005);
  - b. IESO Charge Types and Equations (IMP\_LST\_0001);OPG requests that the IESO to provide estimated delivery dates to both files, in particular IMP-SPEC-0005, as significant vendor support is required to address the changes and modifications outlined therein, which can result in cascade impact on settlement tools development and testing. Further delay in their release would negatively impact MP readiness for System Testing.
4. Can the IESO please provide dates for Market Renewal Settlements sandbox testing.

### General Feedback:

OPG acknowledges and thank the IESO's efforts in providing the engagement presentation and settlement examples to explain the Settlement Market Rules. The presented settlement scenario samples were very helpful for MPs to understand the new Market Rules as well as future settlement system implementations. OPG also acknowledges that is a difficult and complex task to develop and communicate a whole set of market rules and manuals for a new settlement process.

OPG proposes the IESO to continue scenario studies with MPs to provide additional clarification of the new settlement structure, taking into account MP's operation requirements, as this aids MP's development of systems and processes. OPG looks forward to continued dialogue with the IESO regarding the new settlement system for MRP.