

# Memorandum

**To:** Strategic Advisory Committee

**From:** Candice Trickey, Director Market Renewal Program Readiness

**Date:** March 20, 2024

**Re:** IESO Business Update – Market Renewal Program Implementation

The Market Renewal Program (MRP) continues to deliver key milestones on schedule and is tracking to the approved budget. Highlights on project progress since the update provided to the Strategic Advisory Committee in November are provided below.

## **Market Rules and Manuals Engagement**

The Independent Electricity System Operator (IESO) released amendments to incorporate stakeholder feedback into the Market Power Mitigation market rules, market manuals and workbooks and the Market Settlements, Metering, and Billing market manuals, market rules, and Charge Types and Equations. IESO has also posted responses to stakeholder feedback on the Market and System Operations batch which will be reviewed by the Technical Panel in April.

The IESO has been working with the Ontario Waterpower Association (OWA) and a group of large hydroelectric generators to address their concerns with the Market Power Mitigation market rules and manuals. After extensive discussions, the IESO and the group have agreed to a number of changes that address some of their concerns – included in the amendments identified above; and to monitor market power mitigation post go-live to better understand the impact of their remaining concerns before discussing any further changes.

## **Market Participant Readiness**

Activities are quickly accelerating in the Market Participant Readiness realm of work.

A number of resources to support testing are available including the [Market Participant Test Plan](#), which outlines how MRP testing will be executed over the next 14 months, the Market

Information Management (MIM) Web Services Toolkit and the second batch of new and updated MRP reports.

Nearly 200 participants attended the kick-off meeting for MRP Connectivity Testing in January. This phase of testing, which runs until the end of May, allows Market Participants to verify that they are able to log in and connect with the applications and interfaces that are available in the test environment. To date, organizations representing close to 100 participants have submitted results with no defects identified.

The first series of market overview eLearning modules were issued in January; these modules explain market-related processes from registration to settlement under the renewed market for nine different resource types. Market Participants can access and complete relevant modules on demand and then attend Q&A sessions with MRP experts to answer questions about the concepts covered in the modules. The first series covers pseudo-units, non-quick start, hydroelectric and storage resources. To date, more than 100 people have registered to complete these eLearning modules.

Results from the participant readiness assessment completed in December 2023 provide insight into how participants are impacted by MRP and indicate good engagement, awareness and reasonable progress in assessing and developing changes. Half of the market participants (180 of 368) that may be impacted by MRP responded. Response rates for those with largest impacts, such as generators and distributors, were highest. Over 80% of respondents have completed, or are in the process of, assessing the impacts of MRP to their organization, while 74% feel that they are on schedule or slightly behind where they feel they should be. The MRP team is reaching out to participants to encourage a greater response to the next survey to be conducted end of Q2.

Distributors have noted understanding how MRP impacts their downstream settlement and accounting is needed to ensure they can be ready for go-live. The IESO, Ontario Energy Board (OEB) and Electricity Distributors Association (EDA) are working together with Distributors to better understand the impacts on the various billing and accounting practices and address their needs through accounting guidance from the OEB and additional market price data the IESO can provide to manage timing differences between IESO and Distributor billing cycles.

75% of participants have identified a designated MRP Contact Person to receive program updates and provide feedback on their organization's level of readiness. Organizations that have not yet identified a contact person, can email [Market.Renewal@ieso.ca](mailto:Market.Renewal@ieso.ca) to establish a contact

and ensure they are receiving information on testing and training opportunities and other important updates.

### **IT Solution Development and Testing**

Key system development milestones continue to be completed on time. Highlights since the last update include completing System Integration Testing of the key operational tools used by IESO and participants to schedule and dispatch resources in the markets as well as completing User Acceptance Testing for the Demand Forecast Systems.

### **Next Steps**

The [third batch of schema, sample and help files](#) for revised and new market and system reports will be posted by the end of March.

By the end of March, Q&A sessions with MRP experts will be held to answer questions about the concepts covered in the recently released modules for Price Responsive Loads, Non-dispatchable Loads and Dispatchable Loads.

In April, the Technical Panel will review and vote on posting the Market and System Operations and Calculation Engine batches of market rules and market manuals for stakeholder feedback.

The next readiness assessment survey is scheduled to be sent out in the second quarter of 2024.

The project team will continue to work closely with Market Participant to ensure they are ready to participate in Market Trials (August-October 2024).