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## Reasons of the *IESO Board* in respect of an *amendment to the market rules*

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Terms and acronyms used herein that are italicized have the meanings ascribed thereto in Chapter 11 of the *market rules*.

The following sets out the *IESO Board's* reasons for its decision on the proposed *amendment* to the *market rules* identified in Part 1 below (the “**Amendment**”).

### **PART 1 – MARKET RULE INFORMATION**

Identification No.:	MR- 00445-R00
Title:	Performance Requirements

The *IESO Board* convened to consider the Amendment on the date and location set out in Part 2 below.

### **PART 2 – BOARD MEETING INFORMATION**

Date:	August 26, 2020
Location:	Webinar

Prior to considering the Amendment, the Chair of the *IESO Board* enquired whether any director of the *IESO Board* had a conflict of interest to declare, the result of which is set out in Part 3 below.

### **PART 3 – CONFLICTS OF INTEREST**

<input checked="" type="checkbox"/> No conflict was declared.
<input type="checkbox"/> Any director declaring a conflict of interest abstained from voting on the adoption of the Amendment.

The *IESO Board* was presented with the materials in respect of the Amendment identified in Part 4 below (the “**Materials**”), all of which is *published* on the *IESO’s* [website](#) subject to such redactions as *IESO* staff determined reasonably necessary.

#### **PART 4 – MATERIALS**

- Memorandum from the Technical Panel Chair
- Market Rule Amendment Proposal as recommended by Technical Panel
- IESO Staff memo to Technical Panel
- Technical Panel member vote and rationale
- Consumer Impact Assessment (this assessment is required to support the Ontario Energy Board market rule amendment review process)
- Technical Panel and Stakeholder Comments (this assessment is required to support the Ontario Energy Board market rule amendment review process)
- Draft Resolution

Having considered the Amendment and the Materials, the *IESO Board* decided as identified in Part 5 for the reasons set out in Part 6.

#### **PART 5 – DECISION**

- The *IESO Board* decided in favour of the adoption of the Amendment.
- The *IESO Board* referred the Amendment back to the *technical panel* for further consideration and vote.
- The *IESO Board* decided against the adoption of the Amendment.

## **PART 6 – REASONS**

The *IESO Board* reviewed the Materials including the unanimous *technical panel* vote to recommend MR-00445-R00 for approval by the *IESO Board*. The Markets Committee of the *IESO Board* discussed the Amendment and recommended it for adoption at the August 26, 2020 *IESO Board* meeting.

The *IESO Board* decided to adopt the Amendment recommended by the *technical panel* with an effective date of September 21, 2021.

The IESO Board adopted the Amendment for the following reasons:

1. This Amendment implements a recommendation from the 2019 Operability Study report and is supported by stakeholders.
2. The Amendment improves system reliability by expanding the applicability of several existing requirements to all distributed energy resources, regardless of their size and specifies the required behavior for inverter-based facilities during and immediately following disturbances to avoid these facilities ceasing to inject current during system disturbances.
3. The Amendment improves clarity of the existing performance requirements.