

Assessment of Impact of Market Rule Amendment on Consumers Re: Price, Reliability, Quality of Electricity Service

This form is used to document the *IESO's* assessment of the impact of a proposed *market rule amendment* on the interests of consumers with respect to prices and the *reliability* and quality of electricity service.

Terms and acronyms used in this Form that are italicized have the meanings ascribed thereto in Chapter 11 of the *Market Rules*.

Part 1 – Market Rule Information

Identification No.: MR-00450, MR-00451, MR-00453, MR-00461

Title: Market Renewal Program: Market Entry and Prudential Security

Date of Assessment: April 20, 2021

Part 2 – Assessment

The following is the *IESO's* assessment of the impact of the proposed *market rule amendment* on the interests of consumers with respect to price and the *reliability* and quality of electricity service.

Impact on Price:

The Market Renewal Program (MRP) is expected to deliver a more efficient, stable marketplace with competitive and transparent mechanisms that meet Ontario's electricity needs at the lowest cost possible.

Based on the MRP Energy Stream Business Case published on October 22, 2019, the MRP Energy Stream is expected to deliver a range of significant benefits. For the purpose of the analysis only the elimination of unnecessary congestion management settlement credits and the market efficiencies were included as these could be quantified with the greatest certainty. Together, these two categories of benefits are expected to total approximately \$1 billion over the first 10 years of implementation. The financial benefits associated with a day-ahead market, improved consumption and investment, hydro and system optimization, reduced gaming opportunities as well as those associated with future improvements and enabling greater and diverse market participation have not been quantified. These benefits

are expected to be real, but the scale of benefits will be influenced by many factors that make them difficult to predict with certainty.

Impact on Reliability of Electricity Service:

The implementation of the MRP design, which moves away from the existing two-schedule market to a single schedule market with locational pricing, is expected to enhance reliability and increase operational certainty.

Impact on Quality of Electricity Service:

None.