

Minutes of the IESO Technical Panel Meeting

Meeting date: 12/September/2023
Meeting time: 9:00 a.m. – 9:54 a.m.
Meeting location: In-person and Video Conference

Chair/Sponsor: Michael Lyle
Scribe: Trisha Hickson, IESO

Please report any suggested comments/edits by email to engagement@ieso.ca.

Invitees	Representing	Attendance Status Attended, Regrets
Jason Chee-Aloy	Renewable Generators	Attended
Ron Collins	Energy Related Businesses & Services	Attended
Rob Coulbeck	Importers/Exporters	Attended
Emma Coyle	Market Participant Generators	Attended
Dave Forsyth	Market Participant Consumers	Attended
Jennifer Jayapalan	Energy Storage	Attended
Indra Maharjan	Market Participant Consumers	Attended
Nick Papanicolaou	Market Participant Consumers	Attended
Forrest Pengra	Residential Consumers	Attended
Robert Reinmuller	Transmitters	Attended
Joe Saunders	Distributors	Attended
Vlad Urukov	Market Participant Generators	Attended
David Short	IESO	Attended
Michael Lyle	Chair	Attended
Secretariat		

Invitees	Representing	Attendance Status Attended, Regrets
Trisha Hickson	IESO	Attended
IESO Presenters		
Adam Cumming		

Agenda Item 1: Introduction and Administration

Trisha Hickson, IESO, welcomed everyone joining the meeting.

The meeting agenda was approved on a motion by Jennifer Jayapalan

The July 11, meeting minutes were approved on a motion by Vlad Urukov

Introductory Remarks from the Chair:

Chair, Michael Lyle welcomed all members and congratulated the five panel members that were recently appointed for a second three-year term. In addition, Mr. Lyle noted the change in representation for Technical Panel member Indra Maharjan, due to an employment shift, moving from Market Participant Consumers to direct representation of consumers. Mr. Lyle indicated that there is currently a call for two new panel members; one to represent market participants within the Demand Response community and one for Energy Related Businesses and Services. Nominations for these positions will close on September 14, 2023, and if panel members knew anyone interested to encourage them to apply.

Agenda Item 2: Engagement Update

Trisha Hickson, IESO reviewed the prospective Technical Panel (TP) schedule provided as part of the meeting materials and noted that the monthly engagement update would be posted to the IESO website in the coming days. It was noted that there were upcoming discussions on the Market Renewal Program: Market and Systems Operations (MSO) batch education item for October. Ms. Hickson stated November and December would have lighter agendas and the TP will likely reconvene in January to discuss topics like Transmission Rights Market Enhancements and Platform Refresh, as well as Market Renewal Program MSO batch.

Agenda Item 3: Correction to Intertie Flow Limits

Adam Cumming, IESO provided background information and context related to the correction. Mr. Cumming indicated that on September 7, 2021, the IESO brought to the TP a proposed market rule amendment (MR-00468-R00) (**version 1**), indicating that this amendment consisted of clarifying language around when the IESO could make adjustments to intertie flow limits. At that time the Technical Panel declined to vote to post and requested that the amendment go through the IESO

Stakeholder process. The IESO accepted this feedback and subsequently conducted an engagement webinar on November 22, 2021, presenting the proposed market rule language.

This original version, the September 7, 2021, version (**version 1**) of the amendment was revised based on stakeholder feedback, and the revised version (**version 2**) was brought to the TP and members voted to post the proposed amendment on February 8, 2022.

No further stakeholder feedback was received on the revised version (**version 2**) in response to this posting.

On July 5, 2022, the IESO in error brought version 1 to TP for the vote to recommend. The TP and the IESO did not recognize this, and the TP voted to recommend version 1 to the IESO Board. This version was subsequently brought to the IESO Board and was approved on August 24, 2022. To correct this error, the IESO is now proposing the amendment being presented today to adjust the market rules so that they will align with the version 2. The language in the proposed amendment being presented today is the same language that was used in version 2.

Mr. Cummings noted the changes being proposed in this amendment only change the portion of the rules that was previously added as part of amendment MR-00468-R00 and do no change any of the pre existing market rules.

Vlad Urukov, OPG, confirmed that version 2 of the market rule section 4.5.1.1 is the one that we are moving towards and will be operationalized. He noted that in the description of the unconstrained IESO-controlled grid model, there is an addition that was not in version 1 which adds the words "including inerties." Mr. Urukov asked to confirm that this is not a substantial change and that it is to provide clarification rather than an actual change to how the DSO operates.

Mr. Cumming stated that the IESO is amending the market rules to provide greater clarity as to how intertie flow limits are managed. The actual operation of how we manage them is not changing with this amendment. David Short, IESO also confirmed that no changes are being made to the DSO.

Lastly, Mr. Cumming acknowledged the identification of two spelling errors in the proposed amendment - the words applicable and integrated. Mr. Cumming stated that in the updated version of the posted amendment proposal, these errors were corrected.

Mr. Urukov noted there was a section that was not included in this version 1 versus this comparison which added the words establishing multi-directional flow so that stays and the reason why it's not shown here is because it doesn't change.

Mr. Cumming confirmed this was intentional as the changes to the defined term were the same in both versions previously. No additional changes were required to this section.

Emma Coyle asked that the IESO use track changes for easier identification of iterations in the future, as it would be more convenient than manually comparing versions.

Mr. Urukov suggested that the IESO highlight incremental changes in the process, making it clear how approved changes evolve over time.

Mr. Cumming acknowledged this request and committed that the IESO will implement a process to track incremental changes.

On a motion by Vlad Urukov, the Technical Panel voted to recommend the market rule amendment (MR-00468-R00) to the IESO Board of Directors.

Agenda Item 4: Capacity Auction Enhancements

Mr. Cumming noted that during the September TP meeting members voted to post the proposed Stream 2 market rules for stakeholder comment. The IESO subsequently posted these proposed amendments, notice was given through the IESO Bulletin, and were posted on the IESO website for two weeks. No stakeholder comments were received. However, prior to the last Technical Panel meeting, the IESO received feedback from a couple of TP members. As a result of this feedback, a series of minor adjustments have been made to the proposed market rule amendment. These are flagged in the memo that was sent to TP members on September 12. The changes include:

Chapter 7

- Section 18.2A.1.2 – removed improper pluralization from “a system-backed capacity auction eligible import resources”
- Section 18.2A.1.3 – corrections to italics
- Section 18.2A.3 - pluralized “resources”
- Section 19.4.21 – corrected subsection numbering

Chapter 9

- 3.1.10: definition of:
 - CACPzh – adjusted abbreviation to “\$/MWh”
 - CAEOmh,k – added clarification that energy offers are in “MW”
 - DRStymk,h - added missing hyphens in “real-time market” and “real-time schedules”
 - HDRBP – corrected that the price component is in “\$/MWh”
 - HDRDC – corrected the bracket placements in the calculation formula
 - HDRTAPR – corrected that the market test activation rate is in “\$/MWh”
- Section 4.7J.2.1B – added reference to real-time market in (c) and clarified the language in (d) explaining how subsequent hours shall be treated after a capacity storage resource receives a non-zero energy dispatch instruction
- Section 4.7J.8.2 – removed duplicate of the word “shall”

Mr. Urukov commented that there is a potential risk with the timelines on implementing these changes, that if these changes don't go through in line with the schedule, there will be concerns over when the deposit is put forth as the calculation between the two versions/streams (UCAP/PAF). He added that for participants to know what they need to do, all of this needs to be confirmed in advance of when a deposit is submitted, which is October/November.

Mr. Cumming noted the Stream 1 market rule amendments have already been approved, and they will be in effect September 13. These rules will, if recommended by the Technical Panel today, go to the Board at the end of September. If they are approved by the Board, they would come into effect on October 23rd.

Dale Fitzgerald asked Mr. Urukov to clarify whether he was inquiring about wording that affects the buy-out calculation.

Mr. Urukov indicated that he was referring to the deposit.

Mr. Fitzgerald confirmed the deposit is based on UCAP. The UCAP calculations are already in place and set-up in online-IESO now, as the qualification window is open.

Mr. Urukov asked if the UCAP is based on the de-rating factor we are voting on today.

Mr. Cumming clarified it's just the PAF that is included in Stream 2. If Stream 2 is approved today, then the PAF will be an additional factor added. It still calculates the UCAP but adds this additional factor to get to a UCAP.

Mr. Urukov asked if the deposit will be different as it is a function of UCAP.

Mr. Cumming stated that the deposit calculation is based on the UCAP, and the PAF will be a factor in the UCAP calculation, but for the first year everyone will have a PAF of 1. The PAF doesn't change the calculation for the first year. It will only have an impact after the first set of testing is complete and then subsequent auction qualifications where a PAF is applicable, such as when a resource fails the CA test and chooses not to self-qualify themselves in subsequent auctions.

Mr. Urukov acknowledged the clarification.

On a motion by Robert Reinmuller, the Technical Panel voted to recommend the Capacity Auction Enhancements Stream 2 market rule amendments to the IESO Board of Directors.

Agenda Item 5: IESO Technical Panel/Markets Committee Joint Meeting

Mr. Lyle acknowledged that the last joint meeting was with the full Board and IESO staff recommended alternating between a meeting of the full Board and a meeting with the Markets Committee. Mr. Lyle noted that the Markets Committee is the group with the principal focus on reviewing market rule amendments. He also noted that there is a meeting coming up in late October. Given that there is turn over on the Board of Directors including a new Chair, some element of this joint meeting could be to educate our new Board members on the purpose of the TP. Mr. Lyle also noted that IESO staff is contemplating putting together a presentation to kick-off the discussion and would be open to the TP providing input to the presentation. He also noted that the staff wished to canvas items the panel would like to flag to the Markets Committee. Mr. Lyle concluded that there are new members who are very engaged and are interested in meaningful dialogue and he further encouraged the panel to be active in the discussion.

Jason Chee-Aloy inquired as to who currently sits on the Markets Committee to which Mr. Lyle responded, Bill Sheffield – IESO Board Chair, Dave Sinclair, Lisa Pearson, Fiona Oliver-Glassford and Robert Wong.

Mr. Chee-Aloy suggested an item for discussion on how the TP may work through the final amendments and approvals for all batches of market renewal, indicating it's not clear how the rules may change after or during testing and there are a few outstanding issues in relation to market power mitigation and the independent review process.

Mr. Lyle acknowledged the suggestion and stated the work of the TP will be very focused on market renewal and the IESO is trying to limit the number of other market rule amendments being brought forward.

Mr. Urukov suggested a lessons-learned review, particularly in relation to the MPM vote and the substantial number of members who abstained from voting and discussions with the Markets Committee to explain why. Mr. Urukov suggested that what was said during this meeting is important information to share with the new members of the Markets Committee. In addition, a reflection on RSS go-live and passing along issues encountered would be beneficial and help in about how this can be improved for the implementation of MRP. Mr. Reinmuller highlighted the importance of system testing noting his concerns about RSS in this regard. Robert Reinmuller, suggested discussing the vision for the future in terms of better integration between markets, operations, and long-term planning, acknowledging that while current issues are pressing, it's essential to contemplate and align for future solutions as well.

Mr. Short, acknowledged this is something to consider and Mr. Lyle stated that the IESO Board spends a lot of time on the energy transition and encouraged perspectives from the TP on this matter.

James Hunter, IESO spoke to Mr. Chee-Alloy's comment around market renewal and indicated that this is top of mind for the project and the IESO is planning a discussion with Technical Panel this winter on how to approach final alignment and seek TP's input.

Mr. Lyle asked Technical Panel members to provide their rationales for agenda items 3 and 4 to Trisha Hickson by end of week.

Other Business

Mr. Urukov, raised concern over the process for amending the market rules and market manuals and the discussion previously had with the Technical Panel, noting a presentation in February 2020, and discussion where the goal was to increase engagement around posted changes for market rules and market manuals. He indicated that there was a recent change which went through the IMDC process in relation to a specific manual that was not brought to the Technical Panel and rationale was not provided for the changes. Mr. Urukov stated that during the February 2020 presentation, the IESO acknowledged the importance of making stakeholders aware of market manuals that impacted participants and expressed concern that the IESO is not following the process outlined in 2020, and that participants are not given the chance to understand the change and provide feedback to the IESO. Mr. Urukov asked how the IESO followed the process that was laid out in the February 2020 presentation in relation to this market manual change.

Paula Lukan, IESO, provided a response indicating that the presentation Mr. Urukov was referring to is a summary and expansion on the February 2018, Governance and Rule Making Report and Recommendations and those recommendations were in the context of market manual changes to support market rule amendments. Ms. Lukan stated that the changes which were made to this compliance manual were not in support of market rule amendments, so the recommendations from that report do not apply. The terms in the market manual that were changed were free-floating terms so there was not a need to bring the changes to the TP. Ms. Lukan added that the changes to the market manual were made through the normal Baseline Process and not through the IMDC. The changes were posted for 10 days, and notice was included in the August 24, 2023, IESO Bulletin. The manual changes were publicly available for stakeholders to provide comments, and comments were made by a market participant, which the IESO addressed. Ms. Lukan concluded that in fact the baseline process was followed.

Mr. Urukov expressed further concern stating that he understood what they were enacting through the discussion in February 2020, was more comprehensive in regard to alerting the TP to market manual changes that more broadly impact market participants. Mr. Urukov asked in this specific example how the IESO decided whether this was a significant impact to market participants, or did the IESO decide it is, but was still appropriate to move through the baseline process and not provide further explanation to stakeholders.

Devon Huber, IESO indicated that the decision criteria asks whether a design change requires a market rule amendment, which was the context and scope of the 2018 report and recommendations. Mr. Huber indicated this wasn't the case in this specific instance and stated that with changes to market manuals there is an assessment process, and this process was followed in this case.

Mr. Urukov stated that he understood the market rules are the "what" and the market manuals are the "how", but that is not a clear distinction as there is certainly overlap where changes to market manuals could be of impact to participants. In addition, if the IESO does not appropriately bring changes forward to stakeholders, then in certain cases it could be harmful to participants in not having sufficient rationale for a change. It is not clear what would prompt this change, as this item is something that has been included in the manual since market opening. Mr. Urukov added that for the IESO to strike language that provides certain rights to participants and not having consulted with stakeholders beyond posting online, does not hit the right level of disclosure. Mr. Urukov pointed to a similar situation regarding the interties where traders were not precisely made aware and indicated that the framework needs to be enhanced for better transparency around market rules and the market manuals they are impacting. Mr. Urukov stated this particular instance feels like it is of impact and should have been explained by the IESO, and that the explanation was missing.

Mr. Lyle stated that the TP work remains grounded in market rule amendments. The discussion that happened in 2018 was focused on the concern that the TP wasn't necessarily seeing the entirety of the picture because there were potentially significant market manuals that had an interrelationship between the market rules and market manuals. The question of this specific instance is a bit different. Mr. Lyle noted that the Market Assessment Compliance Division (MACD), because of the role that they play are independent from the rest of the IESO, such that there was no one present to speak to why MACD made this decision. Mr. Lyle indicated that the concern would be taken back to MACD, along the broader question of things that can be done to ensure stakeholder awareness of changes to market manuals.

Mr. Urukov stated that he appreciated the distinction on what the previous discussions and presentations were looking at and acknowledged his past agreement to this. Mr. Urukov stated that if the IESO is making market rule changes and market manuals changes and there's concern about impact to participants, but changes are only made to the market manuals the concern remains.

Mr. Lyle acknowledge that market manual changes can be significant and impactful. However, this doesn't belong with the TP, but the concern would be brought back to MACD. He also noted that there may be elements of the stakeholder process that can be looked at. Mr. Lyle acknowledged that there was an opportunity for participants to comment and some did. One of the challenges with market manuals is trying to separate the changes that are potentially significant without going overboard with the approach and creating an overwhelming amount of review for both externals and internals.

Mr. Reinmuller commented that time to comment was provided and acknowledged his comment was late. In relation to the change in the market manual, Mr. Reinmuller noted that it was an issue of the optics of the change, and in quoting the language “the IESO will not publish the name of the offender....” he suggested that removing this sentence creates a situation where a determination can be made public without opposing or defending statements from the participant. Mr. Reinmuller suggested a participant is guilty before they’ve been heard and changing public opinion after the fact, if the analysis changes the outcome, is too late. Equal opportunity should be provided to participants to explain or defend an offense.

Dave Forsyth comments in support for the statements made by Vlad and Robert, emphasizing the significance of the issue and suggesting that the IESO should reconsider this matter.

Adjournment

The meeting adjourned at 9:20 a.m. The next meeting will be held on October 10, 2023.

Action Item Summary

Date	Action	Status	Comments
March 23, 2021	In relation to MR-0448-R00 market rule amendments, the IESO will periodically review the availability of error and omissions insurance for negligence.	Open	Update provided during November 2021 meeting.