

Market Rules

Chapter 9

Settlements and

Billing

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Table of Contents

| | | |
|------|--|----|
| | Market Rules | i |
| 1. | Introductory Rules | 3 |
| 1.1 | Regulated Settlement Amounts and Related Payment Charges | 4 |
| 2. | Settlement Data Collection and Management | 4 |
| 2.1 | Metering and Metering Responsibilities | 4 |
| 2.2 | Station Service | 6 |
| 2.3 | Metering Data Recording and Collection Frequency | 11 |
| 2.4 | Collection and Validation of Metering Data | 12 |
| 2.5 | 2.4A-Delivery Points | 14 |
| 2.6 | Collection of Interchange Schedule Data | 15 |
| 2.7 | Collection of Physical Bilateral Contract Data | 16 |
| 2.8 | Collection of Transmission Right (TR) Data | 16 |
| 2.9 | Collection of Ancillary Service Data | 17 |
| 2.10 | Collection of Market Price and Other Settlement Data | 17 |
| 2.11 | Settlement Record Retention, Confidentiality, and Reliability | 17 |
| 2.12 | Settlement Variables and Data | 18 |
| 2.13 | Adjustments of Ineligible Settlement Amounts | 18 |
| 2.14 | Market Remediation | 18 |
| 3. | Hourly Settlement Amounts (New) | 20 |
| | Two-Settlement | 20 |
| 3.2 | Hourly Physical Transaction Settlement Amount – Non-Dispatchable Resources | 24 |
| 3.3 | Day-Ahead Market Balancing Credit | 25 |
| 3.4 | Day-Ahead Market Make-Whole Payment | 28 |
| 3.5 | Real-Time Make-Whole Payment | 40 |
| 3.6 | Real-Time Intertie Offer Guarantee | 51 |
| 3.7 | Real-Time Intertie Failure Charges | 54 |
| 3.8 | Hourly Settlement Amounts for Transmission Rights | 57 |
| 3.9 | Operating Deviations (ORSSD) | 58 |
| 3.10 | Hourly Uplifts | 60 |
| 4. | Non-Hourly Settlement Amounts | 62 |
| 4.1 | Transmission Tariff Charges | 62 |
| 4.2 | Ancillary Service Payments | 62 |
| 4.3 | IESO Administration Charge, Penalties, and Fines | 64 |
| 4.4 | Day-Ahead Market Generator Offer Guarantee | 64 |
| 4.5 | Real-Time Generator Offer Guarantee | 79 |

| | | |
|------|--|-----|
| 4.6 | Real-Time Ramp-Down Settlement Amount..... | 96 |
| 4.7 | Internal Congestion and Loss Residuals | 100 |
| 4.8 | Real-Time External Congestion, Real-Time NISL Residual, and Day-Ahead Market NISL Residuals | 102 |
| 4.9 | Transmission Rights Clearing Account Disbursements | 104 |
| 4.10 | Generator Failure Charge | 108 |
| 4.11 | Fuel Cost Compensation Credit..... | 117 |
| 4.12 | Forecasting for Variable Generation | 119 |
| 4.13 | Capacity Obligations | 120 |
| 4.14 | Non-Hourly Uplifts..... | 120 |
| 5. | Market Power Mitigation..... | 129 |
| 5.1 | Mitigation of Settlement Amounts | 129 |
| 5.2 | Day-Ahead Market Reference Level Settlement Charge | 133 |
| 5.3 | Real-Time Market Reference Level Settlement Charge | 134 |
| 5.4 | Ex-Post Mitigation for Physical Withholding..... | 136 |
| 5.5 | Ex-Post Mitigation for Economic Withholding on Uncompetitive Interties | 139 |
| 6. | Settlement Statements..... | 143 |
| 6.1 | Communication of Settlement Information | 143 |
| 6.2 | Settlement Schedule and Payments Calendar | 143 |
| 6.3 | Settlement Cycles | 143 |
| 6.4 | Settlement Statement Process | 151 |
| 6.5 | Preliminary Settlement Statement Coverage | 152 |
| 6.6 | Final Settlement Statement Coverage | 155 |
| 6.7 | Recalculated Settlement Statement Coverage | 155 |
| 6.8 | Market Participant Validation of Settlement Statements | 156 |
| 6.9 | IESO Validation of Settlement Statements | 161 |
| 6.10 | Dispute Resolution..... | 163 |
| 6.11 | Responsibility of the IESO | 166 |
| 6.12 | Settlement Invoices..... | 166 |
| 6.13 | Payment of Invoices..... | 168 |
| 6.14 | Funds Transfer..... | 169 |
| 6.15 | Confirmation Notices..... | 170 |
| 6.16 | Payment Default | 171 |
| 6.17 | Payment Errors, Adjustments, and Interest | 173 |
| 6.18 | Settlement Financial Balance/Maximum Amount Payable by IESO | 176 |
| 6.19 | Audit..... | 177 |
| 6.20 | Settlement Accounts | 178 |

1. Introductory Rules

~~1.1 Application and Purpose~~

~~1.1.1 This chapter applies to:~~

~~1.1.1.1 the IESO; and~~

~~1.1.1.2 market participants.~~

~~1.1.2 This chapter sets out the respective rights and obligations of the IESO and of market participants in determining, billing for and effecting payment in respect of financial obligations arising from the IESO-administered markets, other provisions of the market rules, and applicable law including without limitation the Electricity Act, 1998, the Ontario Energy Board Act, 1998, and any regulations enacted thereunder including, but not limited to the following:~~

~~1.1.2.1 [Intentionally left blank—section deleted]~~

~~1.1.2.2 the energy market;~~

~~1.1.2.3 the operating reserve market;~~

~~1.1.2.4 congestion management;~~

~~1.1.2.5 transmission rights (TRs);~~

~~1.1.2.6 [Intentionally left blank—section deleted]~~

~~1.1.2.7 operating deviations;~~

~~1.1.2.8 ancillary services and reliability must-run contracts;~~

~~1.1.2.9 transmission services charges and connection charges collected by the IESO;~~

~~1.1.2.10 [Intentionally left blank—section deleted]~~

~~1.1.2.11 the IESO administration charge;~~

~~1.1.2.12 penalties and fines;~~

~~1.1.2.13 [Intentionally left blank—section deleted]~~

~~1.1.2.14 rebates and other payments arising from market power mitigation measures;~~

- ~~1.1.2.15 — the day-ahead commitment process;~~
- ~~1.1.2.16 — forecasting services relating to variable generation;~~
- ~~1.1.2.17 — capacity obligations; and~~
- ~~1.1.2.18 — ramp-down settlement amount.~~

1.21.1 Regulated Settlement Amounts and Related Payment Charges

- 1.21.1 Notwithstanding any other provision within the *market rules*, the *IESO* shall, ~~with respect to~~~~for~~ determining, collecting and remitting applicable *settlement amounts*, comply with the relevant provisions of *applicable law* including ~~without limitation~~ the *Electricity Act, 1998*, ~~and~~ the *Ontario Energy Board Act, 1998*, ~~and any regulations enacted thereunder, as amended from time to time.~~

~~1.2.1.1 — [Intentionally left blank — section deleted]~~

~~1.2.1.2 — [Intentionally left blank — section deleted]~~

~~1.2.2 — [Intentionally left blank — section deleted]~~

- ~~1.2.31.1.2~~ Notwithstanding any other provision within the *market rules*, *market participants* shall remit to the *IESO* such applicable *settlement amounts* and other payments as may be required under the relevant provisions of *applicable law* including ~~without limitation~~ the *Electricity Act, 1998*, ~~and~~ the *Ontario Energy Board Act, 1998* ~~and any regulations enacted thereunder, as amended from time to time.~~

~~1.2.3.1 — [Intentionally left blank — section deleted]~~

~~1.2.3.2 — [Intentionally left blank — section deleted]~~

2. Settlement Data Collection and Management

2.1 Metering and Metering Responsibilities

- 2.1.1 Subject to section 2.1.1A2, every *meter* ~~utilised~~~~utilized~~ for determining *settlement amounts* according to this Chapter must be a *registered wholesale meter (RWM)*.

- 2.1.1A2 Nothing in section 2.1.1 shall be construed as requiring the *IESO* to determine *settlement amounts* on the basis of ~~an *RWM*~~ *registered wholesale meter* in circumstances where:
- 2.1.1A2.1 it is permitted to use another *meter* for this purpose pursuant to section ~~3~~2.4.6;
- ~~2.1.4A;~~
- 2.1.1A.2 in circumstances where the *IESO* has determined that the determination of *settlement amounts* using a *metering installation* whose registration has expired is required for the efficient operation of the *IESO-administered markets*;
- ~~2.1.1A.3 [Intentionally left blank—section deleted]~~
- ~~2.1.1A.4~~3 the *IESO* has not permitted the use of the ~~*RWM*~~*registered wholesale meter* for determining *settlement amounts* for the reason specified ~~section 4 in MR Ch.6 s.4.2.2A of Chapter 6;~~; and
- ~~2.1.1A.5 [Intentionally left blank—section deleted]~~
- ~~2.1.2.1.1A.64~~ the *IESO* is determining *settlement amounts* related to *capacity obligations* using measurement data submitted by *capacity market participants* with an *hourly demand response resource*.
- 2.1.23 A single *metered market participant* must be designated for each *RWM**registered wholesale meter* that is not an *intertie metering point*.
- 2.1.34 The same *metered market participant* must be designated for all *primary RWMs**registered wholesale meters*, other than *intertie metering points*, for which any *metering data* will be allocated to any single *registered facility resource*.
- ~~2.1.4 [Intentionally left blank—section deleted]~~
- 2.1.5 The *IESO* shall be responsible for *metering data* and its allocation ~~with respect to~~for all *intertie metering points*. The *IESO*, in accordance with ~~operating~~*interconnection agreements* with other *control areas*, shall:
- 2.1.5.1 to the extent required to fulfill its obligations under this Chapter, interpret and apply the protocols governing ~~interchanges~~*interconnections* between the *IESO-controlled grid* and other *control areas*;
- 2.1.5.2 provide to the *settlement process* the *interchange schedule data* described in section 2.56; and

2.1.5.3 determine the allocated quantities called for by section 8 3.1.9 of Appendix 9.2 based on scheduled *intertie* flows even when these differ from actual flows as determined by *metering data*.

~~2.1.6~~ ~~[Intentionally left blank—section deleted]~~

~~2.1.6.1~~ ~~[Intentionally left blank]~~

~~2.1.6.2~~ ~~[Intentionally left blank]~~

2.2 ~~2.1A~~ Station Service

~~2.1A2.1~~ The *market participant* responsible for registering a *facility* consuming *transmission station service* or *connection station service* shall:

~~2.1A2.1.1~~ identify to the *IESO* the fraction of the *energy* withdrawn at that *facility* supplied from the *IESO-controlled grid*, which is not such *station service*; and

~~2.1A2.1.2~~ ensure that the consumption of the *energy* referred to in section ~~2.1A2.1.1~~ is measured by ~~an RWM~~ registered wholesale meter that complies with the requirements of Chapter MR Ch.6.

~~2.1A2.2~~ For *settlement* purposes, *transmission station service* shall be treated as a transmission loss.

~~2.1A2.3~~ Where *connection station service* is not separately metered by ~~an RWM~~ registered wholesale meter, the *energy* consumption associated with *connection station service* shall be estimated and submitted by the *market participant* responsible for registering the relevant *connection facility* in accordance with the equations and procedures described in the applicable *market manuals*, which estimate shall be stamped by a registered professional engineer and shall be subject to audit by the *IESO*.

~~2.1A2.4~~ For *settlement* purposes, *connection station service* shall be treated as follows:

~~2.1A2.4.1~~ where the *energy* consumption associated with *connection station service* is included in the *energy* consumption measured by ~~an RWM~~ registered wholesale meter, the sum of the *energy* associated with that *connection station service* and with site specific losses shall be apportioned ÷

~~a.~~ amongst those *market participants* whose *facilities* are *connected* to the relevant *connection facility* in the proportions provided by the *metering service provider* for that ~~RWM~~ registered wholesale meter,

and the provision of such proportions shall constitute certification by such *metering service provider* that such proportions have been agreed between the *metering service provider* and all *market participants* whose *facilities* are *connected* to the relevant *connection facility*.

~~b.~~ ~~[Intentionally left blank—section deleted]~~

2.1A2.4.2 where the *energy* consumption associated with *connection station service* is not included in the *energy* consumption measured by ~~an~~ *RWM* ~~a~~ *registered wholesale meter*, the sum of the *energy* associated with that *connection station service* and with site specific losses shall be apportioned:

- a. ~~a.~~ amongst those *market participants* whose *facilities* are connected to the relevant *connection facility* in the proportions provided by the *metering service provider* for each *RWM* ~~registered~~ *wholesale meter* measuring the flow of *energy* taken from the *connection facility*. The proportions provided by each *metering service provider* shall reflect agreement amongst all applicable *metering service providers* and shall only be accepted by the *IESO* if the proportions provided by all applicable *metering service providers* sum to one. The provision of such proportions shall constitute certification by each such *metering service provider* that it has reached agreement with all other applicable *metering service providers* in respect of such proportions; or
- b. ~~b.~~ where one or more of the *metering service providers* referred to in section 2.1A2.4.2(a) has not provided the *IESO* with the proportions referred to in that section, amongst those *market participants* whose *facilities* are *connected* to the relevant *connection facility* on the basis of the number of *load serving breakers* serving each such *market participant*.

2.1A2.5 A *metering service provider* who provides to the *IESO* factors for apportioning *connection station service* and site-specific losses pursuant to section 2.1A2.4.1(a) or 2.1A2.4.2(a) may, no more than once in each calendar year or more frequently if required by the registration of a new *RWM* ~~registered~~ *wholesale meter*, submit to the *IESO* revised proportions for the purposes of apportioning the *energy* referred to in section 2.1A2.4. The provision of such revised proportions shall constitute certification by such *metering service provider* as to the agreement referred to in section 2.1A2.4.1(a) or 2.1A2.4.2(a), as the case may be.

2.1A2.6 For greater certainty, nothing in section 2.1A2.4 shall be construed as permitting the apportionment of *connection station service* and site-specific losses to a

market participant in respect of a *facility* that is an *embedded load facility*, an *embedded generation facility*, or an *embedded electricity storage facility*.

2.1A.6A2.7 Where the sum of *energy* associated with *connection station service* and with site-specific losses is apportioned by the *IESO* pursuant to section 2.1A2.4.2(b) by reason of the failure of all applicable *metering service providers* to reach agreement as to the proportions referred to in sections 2.1A2.4.1(a) or 2.1A2.4.2(a) as the case may be, any *market participant* that is the subject of such apportionment may submit the matter to the dispute resolution process set forth in ~~section 2 of Chapter 3~~ MR Ch.3 s.2 and shall, in the *notice of dispute*:

2.1A.6A2.7.1 name all other *market participants* ~~which~~that are the subject of the same apportionment as *respondents*; and

2.1A.6A2.7.2 request that the *arbitrator* determine an alternative apportionment.

2.1A.6B2.8 Where an *arbitrator* determines an alternative apportionment pursuant to section 2.1A.6A2.7, the *metering service provider* for each applicable ~~RWM~~registered *wholesale meter* shall, within ~~5~~five *business days* of the date of the award of the *arbitrator*, file with the *IESO* proportions for apportioning the sum of *energy* associated with *connection station service* and with site specific losses that reflect such alternative apportionment.

2.1A.72.9 Subject to section 2.1A.92.12, where *metering data* from a *metering installation* does not reflect the amount of *energy* injected by a *generation unit* passing through the *metering installation* net of all applicable *generation station service*, the costs associated with *generation station service* shall, for *settlement purposes*, be apportioned:

2.1A.72.9.1 amongst those *generation units* consuming such *generation station service* in the proportions provided by the *metering service provider* for the relevant *metering installation*; or

2.1A.72.9.2 where the *metering service provider* has not provided the proportions referred to in section 2.1A.72.9.1, equally amongst all such *generation units*,

provided that, in either case such apportionment results in a totalization of the applicable ~~RWMs~~registered *wholesale meters* that is identical to the totalization of the *meters* required to meet the monitoring requirements of ~~section MR Ch.4 s.7.3, 7.3A, 7.4, 7.5 or 7.6, as the case may be,~~of Chapter 4.

2.1A.7A2.10 Subject to section 2.1A.9A2.13, where *metering data* from a *metering installation* does not reflect the amount of *energy* injected by an *electricity*

storage unit passing through the *metering installation* net of all applicable *electricity storage station service*, the costs associated with *electricity storage station service* shall, for *settlement purposes*, be apportioned:

2.1A.7A2.10.1 amongst those *electricity storage units* consuming such *electricity storage station service* in the proportions provided by the *metering service provider* for the relevant *metering installation*; or

2.1A.7A2.10.2 where the *metering service provider* has not provided the proportions referred to in section 2.1A.7A2.10.1, equally amongst all such *electricity storage units*,

provided that, in either case such apportionment results in a totalization of the applicable *RWMs registered wholesale meters* that is identical to the totalization of the *meters* required to meet the monitoring requirements of [section MR Ch.4 s.7.3, 7.3A, 7.4, 7.5 or 7.6](#), as the case may be, ~~of Chapter 4~~.

2.1A.82.11 A *metering service provider* who provides the *IESO* with proportions pursuant to section 2.1A.72.9.1 may submit up to two requests in a calendar year to the *IESO* to have such proportions revised, provided that the giving of effect to such revisions shall be subject to the mutual agreement of the *metering service provider* and the *IESO*.

2.1A.92.12 If the consumption of *generation station service* results in:

2.1A.92.12.1 an allocated quantity of *energy* withdrawn or AQEW, as described in section 3.1.98 of [Appendix 9.2](#), accruing at the location of a *generation unit* which is part of an eligible *generation facility* within the meaning of section 2.1A.132.15 in circumstances where the injection of *energy* by that *generation facility* as a whole exceeds the withdrawal of *energy* by that *generation facility* as a whole during a given *metering interval*; and

2.1A.9.2.12.2 such accrual of AQEW results in *hourly uplift*, non-hourly *uplift settlement amounts*, or both, accruing at the location referred to in section 2.1A.92.12.1 during any *metering interval* within an *energy market billing period*,

the *metered market participant* for that *generation facility* shall, subject to section 2.1A.102.14, be reimbursed the *hourly uplift* and non-hourly *uplift settlement amounts* referred to in section 2.1A.92.12.2.

2.1A.9A2.13 If the consumption of *electricity storage station service* results in:

2.1A.9A2.13.1 an allocated quantity of *energy* withdrawn or AQEW, as described in section 3.1.8 of Appendix 9.2, accruing at the location of an *electricity storage unit* which is part of an eligible *electricity storage facility* within the meaning of section 2.1A.13A2.16 in circumstances where the injection of *energy* by that *electricity storage facility* as a whole exceeds the withdrawal of *energy* by that *electricity storage facility* as a whole during a given *metering interval*; and

2.1A.9A.2.13.2 such accrual of AQEW results in *hourly uplift*, non-hourly *uplift settlement amounts*, or both, accruing at the location referred to in section 2.1A.92.13.1 during any *metering interval* within an *energy market billing period*,

the *metered market participant* for that *electricity storage facility* shall, subject to section 2.1A.102.14, be reimbursed the *hourly uplift* and non-hourly *uplift settlement amounts* referred to in section 2.1A.9A2.13.2.

2.1A.102.14 No reimbursement will be provided to a *metered market participant* pursuant to section 2.1A.92.12 or 2.1A.9A2.13 in respect of amounts attributable to the following:

2.1A.102.14.1 *transmission services charges*;

2.1A.102.14.2 any applicable penalties, awards or adjustments reflected in the *invoice* issued to the *metered market participant*; or

2.1A.102.14.3 any other *settlement amounts* where such a reimbursement:

- a. ~~a.~~ is prohibited by *applicable law*; or the market rules, or
- b. ~~b.~~ where the *settlement amount* is collected by the *IESO* pursuant to an obligation imposed upon it by *applicable law*, is not permitted by such *applicable law*.

2.1A.11 — [Intentionally left blank — section deleted]

2.1A.12 — [Intentionally left blank — section deleted]

2.1A.1315 For the purposes of section 2.1A.92.12.1, a *generation facility* may be designated by the *IESO* as an eligible *generation facility* where the *generation facility*:

2.1A.132.15.1 is comprised of two or more *registered facilities* ÷

a. — [Intentionally left blank — section deleted]

b. — that have the same *metered market participant*; ÷

- 2.1A.132.15.2 is located within the *IESO control area*; and
- 2.1A.132.15.3 has associated with it *generation station service* that serves more than one *registered facility* included within that *generation facility*.
- 2.1A.13A2.16 For the purposes of section 2.1A.9A2.13.1, an *electricity storage facility* may be designated by the *IESO* as an eligible *electricity storage facility* where the *electricity storage facility*.
- 2.1A.13A2.16.1 is comprised of two or more *registered facilities* that have the same *metered market participant*;
- 2.1A.13A2.16.2 is located within the *IESO control area*; and
- 2.1A.13A2.16.3 has associated with it *electricity storage station service* that serves more than one *registered facility* included within that *electricity storage facility*.
- 2.1A.142.17 The *IESO* shall recover any amount reimbursed pursuant to section 2.1A.92.12 or 2.1A.9A2.13 as described in section 4.8.1.614.12.

2.3—2.2 Metering Data Recording and Collection Frequency

- 2.23.1 All *metering data* must be recorded for each *metering interval* except as otherwise provided in section 2.23.2 or elsewhere in these *market rules*.
- ~~2.3.2.2 A RWM that serves only Demand metering data for non-dispatchable load, self-scheduling loads, non-dispatchable generation facilities, resources, or self-scheduling electricity storage facilities, transitional-scheduling generators or intermittent generators need not record any metering data regarding energy (in MWh) or reactive energy (in MVARh) for metering intervals but must record such metering data for each settlement hour. Metering data regarding demand or power (in MW) shall be recorded by such RWMs for such by registered wholesale meters at a given instant or averaged over such metering intervals as the IESO may specify in the applicable market manual.~~
- 2.23.3 An *intertie metering point* shall record *metering data* in a manner consistent with the applicable interchange protocol.
- 2.23.4 *Metering data* shall be collected by or delivered to the *IESO* in accordance with Appendix 9.1 or in accordance with such other schedule as the *IESO* may determine from time to time.

2.4 ~~2.3~~—Collection and Validation of Metering Data

- 2.34.1 The *IESO* shall collect or receive *metering data* directly from ~~*RWAs*~~ *registered wholesale meters*, in such other manner as may be specified in Appendix 9.1 and from such other processes as may be appropriate. Such *metering data* will initially be “raw” data that have not been validated or corrected by the *VEE process*.
- 2.34.2 The raw *metering data* collected by or delivered to the *IESO* shall be subjected to the *VEE process* described in Appendix 9.1. The *VEE process* shall:
- 2.34.2.1 convert raw *metering data* into validated, corrected or estimated “*settlement ready*” *metering data* suitable for use in determining *settlement amounts*;
 - 2.34.2.2 operate according to the *settlement* schedule specified in section 6;
 - 2.34.2.3 detect errors in *metering data* resulting from improper operational conditions and/or hardware/software malfunctions, including failures of or errors in metering or communication hardware, and from *metering data* exceeding pre-defined variances or tolerances; and
 - 2.34.2.4 use operational system data, including historical generation and load patterns and data collected by or delivered to the *IESO*, as appropriate, for validating raw *metering data*, and for editing, estimating and correcting *metering data* found to be erroneous or missing.
- 2.4.3.2A While undergoing the *VEE process*, *metering data* from a given registered *metering installation* in respect of a given *trading day* or, where applicable, estimates thereof, shall bear appropriate flags and shall be accessible by electronic means by any person referred to in ~~section MR Ch.6 s.10.1.3 of Chapter 6~~ on the day following such *trading day*.
- 2.3.34.4 Subject to section 2.3.4.5, all *metering data* in respect of a given registered *metering installation* for a given *trading day* used for determining *settlement amounts* pursuant to this Chapter shall be “*settlement ready*” *metering data* that has been validated and corrected by the *VEE process*. Such “*settlement ready*” *metering data* shall be accessible by electronic means by any person referred to in ~~section MR Ch.6 s.10.1.3 of Chapter 6~~ no later than five *business days* following such *trading day*, providing that the applicable *metering service provider* has resolved any trouble call pertaining to such *metering data*.
- 2.3.4.5 *Metering data* used for determining *settlement amounts* pursuant to this Chapter shall, where applicable, be adjusted to reflect the estimation or deeming

provisions set forth in ~~sections MR Ch.6 s.11.1.4 and 11.1.6, respectively, of Chapter 6.~~

~~2.4.6 For the purposes of Appendix 9.2, location 'm', 'c' or 's' in respect of *market participant* 'k' shall mean the location of:~~

~~2.4.6.1 the relevant *meter* used by *market participant* 'k' to meet the monitoring requirements of MR Ch.4 s.7.3, 7.4, 7.5 or 7.6, as the case may be, in respect of *facility* k/m, k/c, or k/s, as the case may be, where such requirements apply in respect of *facility* k/m, k/c or k/s, respectively; or~~

~~2.4.6.2 the *registered wholesale meter* for *facility* k/m, k/c, or k/s, as the case may be, where the monitoring requirements of MR Ch.4 s.7.3, 7.4, 7.5 or 7.6, as the case may be, do not apply in respect of *facility* k/m, k/c or k/s, respectively.~~

~~2.4 [Intentionally left blank section deleted]~~

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2.5 ~~2.4A~~ Delivery Points

~~2.4A5.1~~ The *delivery point* for a given *RWM registered wholesale meter* shall be determined by the *IESO* ~~in accordance with~~ by:

~~2.4A5.1.1~~ adjusting the *metering data* from that *RWM registered wholesale meter* in accordance with ~~section MR Ch.6 s.4.2.3 of Chapter 6~~; and

- 2.4A5.1.2 summing the *metering data* from that ~~RWM~~*registered wholesale meter* with *metering data* from all other applicable ~~RWMs~~*registered wholesale meters* in accordance with the applicable totalization table comprised in the relevant *meter point* documentation submitted in respect of that ~~RWM~~*registered wholesale meter* pursuant to ~~section MR Ch.6 App.6.5 s.1.3 of Appendix 6.5 of Chapter 6.~~
- 2.4A5.2 For the purposes of the determination of the *settlement amounts* referred to in sections 3, 4 and 5, all references to ~~an RWM, an RWM or a registered facility k/ma registered wholesale meter, a registered wholesale meter 'm', 'c' or 's' or a resource 'k'/m', 'k'/c', or 'k'/s'~~ shall be deemed to be a reference to the *delivery point* associated with:
- 2.4A5.2.1 the ~~RWM~~*registered wholesale meter*; or
- 2.4A5.2.2 the ~~RWM~~*registered wholesale meter* or ~~RWMs~~*registered wholesale meters* associated with the ~~registered facility~~,
- as the case may be.

2.6 ~~2.5~~ Collection of Interchange Schedule Data

- 2.56.1 The *IESO* shall, in co-operation with other *control area operators*, *security coordinators* and *interconnected transmitters* and in accordance with applicable interchange protocols, determine the following *interchange schedule data* for each *settlement hour*:
- 2.56.1.1 the total scheduled flows of *energy*, and of any other physical quantity or physical service traded in the *IESO-administered markets*, across each ~~transmission interface~~*intertie* between the *IESO-controlled grid* and an *intertie zone*; and
- 2.56.1.2 the allocation of each scheduled *intertie* flow among *market participants*.
- 2.56.2 The *IESO settlement process* shall use the *interchange schedule data* to determine *settlement amounts* even though the total scheduled flows on all *interties* may be either more or less than actual physical flows as measured by all *intertie metering points*. The *IESO* shall manage deviations between scheduled and actual *intertie* flows in accordance with interchange protocols with other *control areas* and the requirements of applicable *standards authorities*, with any resulting financial gains or losses ultimately accruing or charged to *market participants* through the *hourly uplift*.

- 2.56.3 The *IESO* shall *publish* the total scheduled and actual flows of *energy* between the *IESO-controlled grid* and each *intertie zone*.

2.7 ~~2.6~~—Collection of Physical Bilateral Contract Data

- 2.67.1 Any *selling market participant* may, under the provisions of ~~Chapter MR Ch.8~~, submit to the *IESO physical bilateral contract data* for the *day-ahead market* and/or the *real-time market* that define *physical bilateral contract quantities of energy* that it is selling to a specified *buying market participant* in specified *settlement hours* and at specified *primary RWMs* registered wholesale meters or *intertie metering points*.
- 2.67.2 *Physical bilateral contract quantities* shall not be included in the quantities of *energy* used to determine *settlement amounts* related to *energy*, although they may be used to determine other *settlement amounts* as provided in this Chapter.
- 2.67.3 *Physical bilateral contract quantities* must specify total quantities for each *settlement hour*, not quantities for *metering intervals* within a *settlement hour*. The *IESO* shall divide hourly *physical bilateral contract quantities* into equal *metering interval* quantities when necessary for determining *settlement amounts* as provided for in section ~~3.1.6~~ of Appendix 9.2.
- 2.67.4 The *IESO* shall submit directly to the *settlement process* the *physical bilateral contract quantities* submitted by each *market participant* for each *settlement hour* as provided in section ~~3.1.66~~ of Appendix 9.2.

2.8 ~~2.7~~—Collection of Transmission Right (TR) Data

- 2.78.1 The *IESO* shall implement, in accordance with ~~Chapter MR Ch.8~~, *TR auctions* that will result in an allocation among *market participants* of *transmission rights* associated with the transactions referred to in ~~section 4MR Ch.8 s.3.1.1.1 of Chapter 8~~ and conveying rights to *settlement amounts* based on ~~differences in energy prices between the specified injection TR~~ the external congestion component of the relevant *day-ahead market intertie zone* and the specified withdrawal *TR zone* with which each *TR* is associated *locational marginal price*.
- 2.78.2 The *IESO* shall submit to the *settlement process* by the sixth *business day* after each *dispatch day* the following data related to *TRs*:
- 2.78.2.1 the quantities, ~~(in MW_i)~~ of *TRs* transmission rights held by each *TR holder* with respect to for each applicable pair of specified injection and withdrawal *TR zones* for each *settlement hour* of such *dispatch day*; and

~~2.78.2.21~~ the total proceeds from the sale of ~~TRs~~ *transmission rights* in respect of all rounds of a *TR auction* that is concluded on such *dispatch day*.

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~~2.8.3 [Intentionally left blank—section deleted]~~

2.9 Collection of Ancillary Service Data

2.9.1 The *IESO* shall submit to the *settlement process* the data from *contracted ancillary service* contracts and from the daily *dispatch* process necessary to determine *contracted ancillary service* payments.

2.10 Collection of Market Price and Other Settlement Data

2.10.1 The *IESO* shall submit to the *settlement process* all *market prices* determined by the *IESO* according to the provisions of ~~Chapter MR Ch.7~~, and its appendices, all *metering data* and other *operating results*, and any other information available to the *IESO* as may be needed by the *settlement process* for determining *settlement amounts* pursuant to this Chapter.

2.11 Settlement Record Retention, Confidentiality, and Reliability

2.11.1 Subject to section 2.11.3, the *IESO* shall retain all *settlement* records for a period adequate to support the *settlement* audit referred to in section ~~6.1719~~, matters described in section 6.8.12.4, and/or a settlement statement re-calculation dispute outcome, but in no case for less than seven years.

2.11.2 The *IESO* shall periodically review the period for which *settlement* records are retained and shall, if required and subject to section 2.11.3, take such steps as may be required to effect a change in such period.

2.11.3 The period for which *settlement* records are retained shall comply with the requirements of any regulatory authority having jurisdiction over the *IESO* or *market participants*.

- 2.11.4 *Settlement* and supporting data for each *trading day* of a *billing period* shall be made available by direct electronic means to the relevant *market participant* as soon as the data become available to the *IESO*. The data shall remain available via electronic access until the earlier of 60 days from the end of the *billing period* and the date on which invoicing and payment activities for that *billing period* have been completed.
- 2.11.5 The *IESO* shall safeguard any *settlement* information that is *confidential information* in accordance with ~~section 5 of Chapter 3~~MR Ch.3 s.5.
- 2.11.6 The *IESO* shall assure that back-up computer and communication systems are available for the *settlement process* and shall, in accordance with section 6.1, use such back-up systems in the event that equipment failure or an emergency evacuation makes the primary systems referred to in section 6.1.1 unavailable.

2.12 Settlement Variables and Data

- 2.12.1 Subject to section 2.14, the *IESO* shall:
- 2.12.1.1 provide the variables and data described in Appendix 9.2 directly to the *settlement process*; and
- 2.12.1.2 determine *settlement amounts* using the variables, data, mathematical functions and information to identify ~~market participants~~ which are deemed described in and, where applicable, determined in accordance with Appendix 9.2.

2.13 Adjustments of Ineligible Settlement Amounts

- 2.13.1 Subject to the same time restrictions as set out in section 6.9.2, if the *IESO* determines that any *settlement amount*, or part thereof, was disbursed to or collected from a *market participant* despite that *market participant* not being eligible for such *settlement amount*, or part thereof, the *IESO* may recover or issue such amounts and shall settle any resulting adjustment in accordance with section 4.14.12 and 4.14.13. For greater certainty, nothing in this section shall limit the *IESO's* ability to recover or otherwise adjust amounts in accordance with MR Ch.-3; s.6.

2.14 Market Remediation

- 2.14.1 Notwithstanding any other provisions in this MR Ch.9, if the *IESO* implements *administrative prices* in accordance with MR Ch.7 s.8.4A, the *IESO* shall utilize the *administrative prices* during the *settlement process*.

2.14.2 Notwithstanding any other provisions in this MR Ch.9, if the IESO declares a *day-ahead market* failure in accordance with MR Ch.7 s.4.3 or the IESO declares a suspension of *market operations* that suspends the *day-ahead market* in accordance with MR Ch.7 s.13, the IESO shall:

- a. not calculate *settlement amounts* related to the *day-ahead market*;
- b. determine all of the *real-time market settlement amounts*; only using *real-time market* data and variables; and
- c. calculate the *hourly physical transaction settlement amount* for *non-dispatchable loads*, set out in section 3.2, using the *real-time market Ontario zonal price* and a *load forecast deviation charge* of 0.

~~3. Determination of Hourly Settlement Amounts~~

Note 1: Existing Section 3 has been deleted in its entirety and replaced with new section 3 – Hourly Settlement Amounts

Note 2: MR-00467-R00 Improving Accessibility of Operating Reserve, has added sections 3.4.2 and 3.4.3 and amended section 3.9.1 in the current baseline, which are not contained in this version of Chapter 9. The integration of these sections will take place at a future date.

3. Hourly Settlement Amounts (New)

Two-Settlement

3.1.1 The IESO shall operate a two-settlement system to support the day-ahead market and the real-time market in accordance with the following:

3.1.1.1 The hourly physical transaction settlement amounts shall be calculated for each settlement hour 'h' and disbursed to or collected from market participant 'k' in accordance with the following:

- a. For amounts associated with physical bilateral contracts, the day-ahead market settlement hourly physical transaction settlement amount ("HPTSA₁ PBC_{k,h}") and the real-time balancing settlement hourly physical transaction settlement amount ("HPTSA₂ PBC_{k,h}") shall be determined by the equations set out in sections 3.1.2 and 3.1.5, respectively;
- b. For dispatchable loads, dispatchable generation resources, dispatchable electricity storage resources, and boundary entity resources, the day-ahead market settlement hourly physical transaction settlement amount ("HPTSA₁_{k,h}") and the real-time balancing settlement hourly physical transaction settlement

amount ("HPTSA₂_{k,h}") shall be determined by the equations set out in sections 3.1.3 and 3.1.6, respectively; and

c. For *price responsive loads and self-scheduling electricity storage resources* that are withdrawing, the *day-ahead market settlement hourly physical transaction settlement amount* ("HPTSA₁ PRL_{k,h}") and the real-time balancing *settlement hourly physical transaction settlement amount* ("HPTSA₂ PRL_{k,h}") shall be determined by the equations set out in sections 3.1.4 and 3.1.7, respectively;

3.1.1.2 The hourly *virtual transaction settlement amounts* shall be calculated for each *settlement hour* 'h' and disbursed to or collected from *market participant* 'k' in accordance with the following:

a. For all *virtual zonal resources*, the *day-ahead market settlement hourly virtual transaction settlement amount* ("HVTSA₁_{k,h}") and the real-time balancing *settlement hourly virtual transaction settlement amount* ("HVTSA₂_{k,h}") shall be determined by the equations set out in sections 3.1.8 and 3.1.9, respectively;

3.1.1.3 The hourly *operating reserve settlement amounts* shall be calculated for each *settlement hour* 'h' and disbursed to or collected from *market participant* 'k' in accordance with the following:

a. For *boundary entity resources, dispatchable loads, dispatchable electricity storage resources, and dispatchable generation resources*, the *day-ahead market settlement hourly operating reserve settlement amount* ("HORSA₁_{k,h}") and the real-time balancing *settlement hourly operating reserve settlement amount* ("HORSA₂_{k,h}") shall be determined by the equations set out in sections 3.1.10 and 3.1.11, respectively; and

3.1.1.4 In calculating hourly *physical transaction settlement amounts* and hourly *operating reserve settlement amounts* in this section 3.1, the following subscripts and superscripts shall have the following meanings unless otherwise specified:

a. 'M' is the set of all *delivery points* 'm' and *intertie metering points* 'i';

b. 'M1' is the set of all *delivery points* 'm' for *price responsive loads and self-scheduling electricity storage resources* that are withdrawing; and

- c. 'M2' is the set of all *delivery points* 'm' for *price responsive loads* used as *physical hourly demand response resources* to fulfill *capacity obligations*.

Hourly Physical Transaction Settlement Amount – Day-Ahead Market Settlement

- 3.1.2 For all *delivery points* 'm' and *intertie metering points* 'i' associated with a *physical bilateral contract*:

$$\begin{aligned} HPTSA_{PBC}\{1\}_{k,h} &= \sum^M \left[DAM_LMP_h^m \times \left(\sum_S DAM_BCQ_{s,k,h}^m - \sum_B DAM_BCQ_{k,b,h}^m \right) \right. \\ &\quad \left. + DAM_LMP_h^i \times \left(\sum_S DAM_BCQ_{s,k,h}^i - \sum_B DAM_BCQ_{k,b,h}^i \right) \right] \end{aligned}$$

- 3.1.3 For all *delivery points* 'm' and *intertie metering points* 'i' associated with a *dispatchable load, a dispatchable generation resource, a dispatchable electricity storage resource, or a boundary entity resource*:

$$\begin{aligned} HPTSA\{1\}_{k,h} &= \sum^M \left[(DAM_QSI_{k,h}^m - DAM_QSW_{k,h}^m) \times DAM_LMP_h^m \right. \\ &\quad \left. + (DAM_QSI_{k,h}^i - DAM_QSW_{k,h}^i) \times DAM_LMP_h^i \right] \end{aligned}$$

- 3.1.4 For all *delivery points* 'm' associated with a *price responsive load or a self-scheduling electricity storage resource* that is withdrawing:

$$\begin{aligned} HPTSA\{1\}_{PRL_SSW}_{k,h} &= -1 \times \left[\sum^{M1} (DAM_QSW_{k,h}^m \times DAM_LMP_h^m) \right. \\ &\quad \left. + \sum^{M2} (DAM_QSW_{k,h}^m \times DAM_LMP_h^m) \right] \end{aligned}$$

Hourly Physical Transaction Settlement Amount – Real-Time Balancing Settlement

- 3.1.5 For all *delivery points* 'm' and *intertie metering points* 'i' associated with a *physical bilateral contract*:

$$\begin{aligned} HPTSA\{2\}_{PBC}_{k,h} &= \sum^{M,T} RT_LMP_h^{m,t} \times \left(\sum_S BCQ_{s,k,h}^{m,t} - \sum_B BCQ_{k,b,h}^{m,t} \right) \\ &\quad + \sum^{M,T} RT_LMP_h^{i,t} \times \left(\sum_S BCQ_{s,k,h}^{i,t} - \sum_B BCQ_{k,b,h}^{i,t} \right) \end{aligned}$$

Where:

a. If the location specified pursuant to MR Ch.8 s.2.2.1 relates to a non-dispatchable load, the $RT_LMP_h^{m,t}$ shall be replaced with the $DAM_LMP_h^z$.

3.1.6 For all *delivery points* 'm' and *intertie metering points* 'i' associated with a *dispatchable load, a dispatchable generation resource, a dispatchable electricity storage resource, or a boundary entity resource*:

$$HPTSA\{2\}_{k,h} = \sum^{M,T} RT_LMP_h^{m,t} \times \frac{((AQEI_{k,h}^{m,t} - DAM_QSI_{k,h}^m) - (AQEW_{k,h}^{m,t} - DAM_QSW_{k,h}^m))}{12} \\ + RT_LMP_h^{i,t} \times \frac{((SQEI_{k,h}^{i,t} - DAM_QSI_{k,h}^i) - (SQEW_{k,h}^{i,t} - DAM_QSW_{k,h}^i))}{12}$$

3.1.7 For all *delivery points* 'm' associated with a *price responsive load or a self-scheduling electricity storage resource that is withdrawing*:

$$HPTSA\{2\}_{PRL_SSW}_{k,h} \\ = -1 \times \left[\sum^{M1,T} RT_LMP_h^{m,t} \times \frac{(AQEW_{k,h}^{m,t} - DAM_QSW_{k,h}^m)}{12} \right. \\ \left. - \sum^{M2,T} RT_LMP_h^{m,t} \times \frac{DAM_QSW_{k,h}^m}{12} \right]$$

Hourly Virtual Transaction Settlement Amount – Day-Ahead Market Settlement

3.1.8 For all *virtual zonal resources* 'v':

$$HVTSA\{1\}_{k,h} = \sum^V (DAM_QVSI_{k,h}^v - DAM_QVSW_{k,h}^v) \times DAM_LMP_h^{vz}$$

Hourly Virtual Transaction Settlement Amount – Real-Time Balancing Settlement

3.1.9 For all *virtual zonal resources* 'v':

$$HVTSA\{2\}_{k,h} = -1 \times \sum^{V,T} (DAM_QVSI_{k,h}^v - DAM_QVSW_{k,h}^v) / 12 \times RT_LMP_h^{vz,t}$$

Hourly Operating Reserve Settlement Amount – Day-Ahead Market Settlement

3.1.10 For all *delivery points* 'm' and *intertie metering points* 'i' associated with a *boundary entity resource, a dispatchable load, a dispatchable electricity storage resource, or a dispatchable generation resource*:

$$HORSA\{1\}_{k,h} = \sum_R^M (DAM_PROR_{r,h}^m \times DAM_QSOR_{r,k,h}^m + DAM_PROR_{r,h}^i \times DAM_QSOR_{r,k,h}^i)$$

Hourly Operating Reserve Settlement Amount – Real-Time Balancing Settlement

3.1.11 For all *delivery points* 'm' and *intertie metering points* 'i' associated with a *boundary entity resource, a dispatchable load, a dispatchable electricity storage resource, or a dispatchable generation resource*:

$$HORSA\{2\}_{k,h} = \sum_R^{M,T} \{RT_PROR_{r,h}^{m,t} \times (RT_QSOR_{r,k,h}^{m,t} - DAM_QSOR_{r,k,h}^m) + RT_PROR_{r,h}^{i,t} \times (RT_QSOR_{r,k,h}^{i,t} - DAM_QSOR_{r,k,h}^i)\}$$

3.2 Hourly Physical Transaction Settlement Amount – Non-Dispatchable Resources

3.2.1 Notwithstanding MR Ch.5 s.7.3A.1, the hourly *physical transaction settlement amount* for *non-dispatchable loads* shall be calculated for each *settlement hour* and collected from the *market participants* of *non-dispatchable loads* in accordance with sections 3.2.2 and 3.2.3. In calculating hourly *physical transaction settlement amounts* for *non-dispatchable loads* in this section 3.2, the following subscripts and superscripts shall have the following meanings unless otherwise specified:

- a. 'K' is the set of all *market participants* 'k' with *non-dispatchable loads*;
- b. 'M' is the set of all *delivery points* 'm' relating to *non-dispatchable loads*; and
- c. 'M2' is the set of all *hourly demand response resources* 'd' that are not registered as *price responsive loads*.

3.2.2 For all *non-dispatchable loads* for a *market participant*, the hourly *physical transaction settlement amount* for *non-dispatchable loads* applicable to *market participant* 'k' in *settlement hour* 'h' ("HPTSA_{NDL_{k,h}}") is calculated as follows:

$$HPTSA_NDL_{k,h} = -1 \times (DAM_LMP_h^z + LFDC_h) \times \sum^T (AQEW_{k,h}^{m,t} - AQEI_{k,h}^{m,t})$$

Where:

- a. 'LFDC_h' is the load forecast deviation charge for *settlement hour 'h'* determined in accordance with section 3.2.3.

3.2.3 The IESO shall determine the load forecast deviation charge for all *non-dispatchable loads* ("LFDC_h") for each *settlement hour 'h'* in accordance with the following:

$$LFDC_h = \frac{Real_Time\ Purchase\ Cost_Benefit_h + DAM\ Volume\ Factor\ Cost_Benefit_h}{\sum_{K,h}^{M,T} (AQEW - AQEI)_{k,h}^{m,t}}$$

Where:

- a. $Real_Time\ Purchase\ Cost_Benefit = \sum_{K,h}^{M,T} [RT_LMP_h^{m,t} \times (AQEW_{k,h}^{m,t} - AQEI_{k,h}^{m,t} - DAM_QSW_{k,h}^m) / 12] - \sum_{K,h}^{M2,T} [RT_LMP_h^{d,t} \times DAM_QSW_{k,h}^d / 12]$;
- b. $DAM\ Volume\ Factor\ Cost_Benefit = DAM_LMP_h^z \times [\sum_{K,h}^{M,T} (DAM_QSW_{k,h}^m - AQEW_{k,h}^{m,t} + AQEI_{k,h}^{m,t}) / 12] + \sum_{K,h}^{M2,T} [DAM_LMP_h^z \times DAM_QSW_{k,h}^d]$

3.2.4 The hourly *physical transaction settlement amount* for *non-dispatchable generation resources* and *self-scheduling electricity storage resources* that are injecting shall be calculated for each *settlement hour 'h'* and disbursed to the *market participants* of such *resources* in accordance with section 3.2.4.1.

3.2.4.1 For all *delivery points 'm'* associated with a *non-dispatchable generation resource* and *self-scheduling electricity storage resources* that are injecting, the hourly *physical transaction settlement amount* for *non-dispatchable generation resources* applicable to *market participant 'k'* in *settlement hour 'h'* ("HPTSA_NDG_{k,h}") is calculated as follows:

$$HPTSA_NDG_{k,h} = RT_LMP_h^{m,t} \times (AQEI_{k,h}^{m,t} - AQEW_{k,h}^{m,t})$$

3.3 Day-Ahead Market Balancing Credit

3.3.1 The *day-ahead market balancing credit settlement amount* for *market participant 'k'* in *settlement hour 'h'* ("DAM_BC_{k,h}") shall be calculated and disbursed to the *market participants* of *GOG-eligible resources* and *boundary entity resources* in

accordance with the eligibility and equations set out in this section 3.3 and the operating profit function described in section 10 of Appendix 9.2.

3.3.2 *GOG-eligible resources* and *boundary entity resources* are eligible for the *day-ahead market balancing credit settlement amount* in each *metering interval* where:

3.3.2.1 for *boundary entity resources*, such *resource* is activated for *operating reserve*; or

3.3.2.2 Where:

- a. a *GOG-eligible resource* or a *boundary entity resource*, as the case may be, is *dispatched* to a quantity of *energy* less than its *day-ahead schedule* by the *IESO* in order to maintain the *reliability* of the *IESO-controlled grid* and does not receive a real-time make whole payment *settlement amount* pursuant to section 3.5 in relation to such *energy* for the same *metering intervals*; or
- b. a *GOG-eligible resource's day-ahead operational commitment for energy* is cancelled by the *IESO* in order to maintain the *reliability* of the *IESO-controlled grid* and such *resource* does not receive a real-time make whole payment *settlement amount* pursuant to section 3.5 in relation to such *energy* for the same *metering intervals*.

3.3.3 Notwithstanding section 3.3.2, *boundary entity resources* shall be ineligible for the *day-ahead market balancing credit settlement amount* for the following transactions:

3.3.3.1 *Energy* transactions which form part of a *linked wheeling through transaction*;

3.3.3.2 *Energy* import transactions when:

- a. $DAM\ LMP^{i,t}_h$ is equal to or greater than $RT\ LMP^{i,t}_h$; or
- b. $\text{Min}(RT\ LOC\ EOP^{i,t}_{k,h}, DAM\ QSI^{i}_{k,h})$ is equal to or less than $SQEI^{i}_{k,h}$; and

3.3.3.3 *Energy* export transactions when:

- a. $DAM\ LMP^{i,t}_h$ is equal to or less than $RT\ LMP^{i,t}_h$; or
- b. $\text{Min}(RT\ LOC\ EOP^{i,t}_{k,h}, DAM\ QSI^{i}_{k,h})$ is equal to or less than $SQEW^{i}_{k,h}$.

3.3.4 For *delivery point* 'm' associated with a *GOG-eligible resource*, the *day-ahead market balancing credit settlement amount* shall be calculated as follows:

$$DAM_BC_{k,h}^m = BCE_{k,h}^m + BCOR_{k,h}^m$$

Where:

a. $BCE_{k,h}^m$ is the *energy component of the day-ahead market balancing credit settlement amount* and is calculated as follows:

$$BCE_{k,h}^m = \sum^T \text{Max} \left[0, (RT_LMP_h^{m,t} - DAM_LMP_h^m) \times \text{Max} \left(0, (DAM_QSI_{k,h}^m - AQEI_{k,h}^{m,t}) \right) \right] / 12$$

b. $BCOR_{k,h}^m$ is the *operating reserve component of the day-ahead market balancing credit settlement amount* and is calculated as follows:

$$BCOR_{k,h}^m = \sum^{R,T} \text{Max} \left(0, RT_PROR_{r,h}^{m,t} - DAM_PROR_{r,h}^m \right) \times \text{Max} \left(0, DAM_QSOR_{r,k,h}^m - RT_QSOR_{r,k,h}^{m,t} \right) / 12$$

3.3.5 Subject to section 3.3.5.1 and 3.3.5.2 and at an *intertie metering point* 'i' associated with a *boundary entity resource*, the *day-ahead market balancing credit settlement amount* shall be calculated as follows:

$$DAM_BC_{k,h}^i = BCE_{k,h}^i + BCOR_{k,h}^i$$

Where:

a. for an import transaction, $BCE_{k,h}^i$ is the *energy component of the day-ahead market balancing credit settlement amount* and calculated as follows:

$$BCE_{k,h}^i = \text{Max} \left[0, \sum^T \left(\text{Min} \left(RT_LOC_EOP_{k,h}^{i,t}, DAM_QSI_{k,h}^i \right) - SQEI_{k,h}^i \right) \times \left(RT_LMP_h^{i,t} - DAM_LMP_h^{i,t} \right) + OP \left(DAM_LMP_h^{i,t}, \text{Min} \left(RT_LOC_EOP_{k,h}^{i,t}, DAM_QSI_{k,h}^i \right), BE_{k,h}^{i,t} \right) \right] / 12$$

b. for an export transaction, $BCE_{k,h}^i$ is the *energy component of the day-ahead market balancing credit settlement amount* and calculated as follows:

$$BCE_{k,h}^i = \text{Max} \left[0, \sum^T (\text{Min}(RT_LOC_EOP_{k,h}^{i,t}, DAM_QSW_{k,h}^i) - SQEW_{k,h}^i) \right. \\ \left. \times (DAM_LMP_h^{i,t} - RT_LMP_h^{i,t}) \right. \\ \left. - OP(DAM_LMP_h^{i,t}, \text{Min}(RT_LOC_EOP_{k,h}^{i,t}, DAM_QSW_{k,h}^i), BL_{k,h}^{i,t}) \right] / 12$$

c. $BCOR_{k,h}^i$ is the operating reserve component of the day-ahead market balancing credit settlement amount and calculated as follows:

$$BCOR_{k,h}^i \\ = \sum^R \text{Max} \left[0, \sum^T (\text{Min}(RT_OR_LOC_EOP_{r,k,h}^{i,t}, DAM_QSOR_{r,k,h}^i) \right. \\ \left. - RT_QSOR_{r,k,h}^i) \times (RT_PROR_{r,h}^{i,t} - DAM_PROR_h^{i,t}) \right. \\ \left. + OP(DAM_PROR_{r,h}^{i,t}, \text{Min}(RT_OR_LOC_EOP_{r,k,h}^{i,t}, DAM_QSOR_{r,k,h}^i), BOR_{r,k,h}^{i,t}) \right] / 12$$

3.3.5.1 Where the offer price for energy or operating reserve, as the case may be, being used to determine the appropriate day-ahead market balancing credit settlement amount is less than the applicable locational marginal price for such energy or operating reserve, the IESO shall adjust, for the purposes of determining the day-ahead market balancing credit settlement amount, such offer price to be equal to the applicable locational marginal price for such energy or operating reserve.

3.3.5.2 Where the bid price for energy being used to determine the appropriate day-ahead market balancing credit settlement amount is greater than the applicable locational marginal price for such energy, the IESO shall adjust, for the purposes of determining the day-ahead market balancing credit settlement amount, such bid price to be equal to the applicable locational marginal price for such energy.

3.4 Day-Ahead Market Make-Whole Payment

3.4.1 Subject to section 3.4.2, 3.4.3 and the mitigation process described in section 5 and Appendix 9.4, the day-ahead market make-whole payment settlement amount for market participant 'k' in settlement hour 'h' ("DAM MWP_{k,h}") shall be calculated for each settlement hour for the market participants of dispatchable loads, price responsive loads, boundary entity resources, dispatchable electricity storage resources, self-scheduling electricity storage resources that are withdrawing, or dispatchable generation resources:

3.4.1.1 that have a day-ahead schedule for energy or operating reserve, and

- 3.4.1.2 except for hydroelectric *generation resources* associated with *linked forebays* and hydroelectric *generation resources* not associated with *linked forebays* that have *Attained Max Starts*, as defined in section 3.4.13, where their *day-ahead schedule* for the applicable *settlement hour* for *energy* or *operating reserve*, as the case may be, is greater than their economic operating point for *energy* or *operating reserve*, as the case may be, for the same *settlement hour*.
- 3.4.2 The *day-ahead market make-whole payment settlement amount* shall be disbursed to the *market participants* of such *resources* in accordance with the eligibility and equations set out in section 3.4, and the operating profit function described in section 10 of Appendix 9.2. The *day-ahead market make-whole payment settlement amount* consists of the following components where applicable:
- 3.4.2.1 Component 1 is the shortfall in payment on the *day-ahead schedule* for *energy*, as determined in accordance with sections 3.4.7(a), 3.4.8(a), 3.4.9(a), 3.4.10(a), 3.4.11(a), 3.4.12(a), 3.4.13.3, 3.4.13.4(b), 3.4.13.5.2, 3.4.14(a) or 3.4.15(a), as applicable; and
- 3.4.2.2 Component 2 is the shortfall in payment on the *day-ahead schedule* for *operating reserve*, as determined in accordance with sections 3.4.7(b), 3.4.8(b), 3.4.11(b), 3.4.12(b), 3.4.13.3, 3.4.13.4(c), 3.4.13.5.2, 3.4.14(b) or 3.4.15(b), as applicable.
- 3.4.3 Notwithstanding anything in section 3.4 to the contrary and for the purpose of determining the *day-ahead market make-whole payment settlement amount* for a *market participant*, the *IESO* shall adjust any:
- 3.4.3.1 *Offer price* and their substitutions as per section 5.1.2.2, as applicable, associated with a *generation resource*, *dispatchable electricity storage resource* that is injecting, or a *boundary entity resource* that is injecting that is less than (i) 0.00 \$/MWh; and (ii) the applicable *day-ahead market locational marginal price* for the applicable *metering interval*, to the lesser of 0.00 \$/MWh and such *day-ahead market locational marginal price*; and
- 3.4.3.2 *Bid price* and their substitutions as per section 5.1.2.2, as applicable, associated with a *dispatchable load*, *price responsive load*, *dispatchable electricity storage resource* that is withdrawing, or a *boundary entity resource* that is withdrawing that is less than (i) the price determined in accordance with the applicable *market manual*; and (ii) the applicable *day-ahead market locational marginal price* for the applicable *metering interval*, to the lesser of the price determined

in accordance with the applicable *market manual* and such *day-ahead market locational marginal price*.

Day-Ahead Market Make-Whole Payment - Ineligibilities

- 3.4.4 Notwithstanding this section 3.4 but subject to section 3.4.6, the following *resources* shall not be eligible to receive a *day-ahead market make-whole payment settlement amount* for:
- 3.4.4.1 *a non-quick start resource* for a *settlement hour* where the *non-quick start resource* has a *day-ahead schedule* less than its *minimum loading point*;
 - 3.4.4.2 *a called capacity export* that the *external control area operator* called for a *generation resource* or *dispatchable electricity storage resource*:
 - a. *prior to the generation resource or dispatchable electricity storage resource, as the case may be, receiving a day-ahead schedule; or*
 - b. *after the generation resource or dispatchable electricity storage resource, as the case may be, receives a day-ahead schedule and the IESO restricts other transactions on interconnected systems in accordance with MR Ch.5 ss.2.3 and 5.7, while maintaining the called capacity export transaction;*
 - 3.4.4.3 *a boundary entity resource* during any *settlement hours* in which the *boundary entity resource* has a *day-ahead schedule* for any *linked wheeling through transactions*;
 - 3.4.4.4 *a hydroelectric generation resource* for any *settlement hour* in respect of which the *hydroelectric generation resource* receives either a *minimum hourly output* or an *hourly must run* binding constraint;
 - 3.4.4.5 *dispatchable loads* and *dispatchable electricity storage resources* that are withdrawing for any quantity of *energy* that they *bid* at the *maximum market clearing price* and which was scheduled in the *day-ahead market*; and
 - 3.4.4.6 *combustion turbines* or *steam turbines* that are not operating as a *pseudo-unit* for *settlement hours* in which they have a binding combined cycle physical unit constraint.
- 3.4.5 Notwithstanding this section 3.4 but subject to section 3.4.6, the following *resources* shall not be eligible to receive the *energy* component of the *day-ahead market make-whole payment settlement amount* for a *trading day*.

3.4.5.1 hydroelectric generation resources that do not share forebays, if the sum of the quantity of energy scheduled in the day-ahead market for all settlement hours of the trading day for such resource is equal to its minimum daily energy limit; or

3.4.5.2 hydroelectric generation resources that share a forebay, if the sum of the quantity of energy scheduled in the day-ahead market in such trading day for all resources that share a forebay is equal to the minimum daily energy limit of the shared forebay.

3.4.6 Notwithstanding section 3.4.4 and 3.4.5, a day-ahead market make-whole payment settlement amount, or the energy component of the day-ahead market make-whole payment settlement amount, as the case may be, shall be determined for any settlement hour where a resource receives a day-ahead schedule resulting from a reliability constraint.

Day-Ahead Market Make-Whole Payment for Dispatchable Generation Resources Not Associated with a Pseudo-Unit

3.4.7 For a delivery point 'm' associated with a dispatchable electricity storage resource that is injecting or a dispatchable generation resource not associated with a pseudo-unit and that is not registered as a hydroelectric generation resource, the day-ahead market make-whole payment settlement amount is calculated as follows:

$$DAM_MWP_{k,h}^m = \text{Max}[0, DAM_COMP1_{k,h}^m + DAM_COMP2_{k,h}^m]$$

Where:

- a. $DAM_COMP1_{k,h}^m = -1 \times [OP(DAM_LMP_h^m, DAM_QSI_{k,h}^m, DAM_BE_{k,h}^m) - OP(DAM_LMP_h^m, DAM_EOP_{k,h}^m, DAM_BE_{k,h}^m)]$
- b. $DAM_COMP2_{k,h}^m = -1 \times \sum_R [OP(DAM_PROR_{r,h}^m, DAM_QSOR_{r,k,h}^m, DAM_BOR_{r,k,h}^m) - OP(DAM_PROR_{r,h}^m, DAM_OR_EOP_{r,k,h}^m, DAM_BOR_{r,k,h}^m)]$

Day-Ahead Market Make-Whole Payment for Dispatchable Loads

3.4.8 For a *delivery point* 'm' associated with a *dispatchable electricity storage resource* that is withdrawing or *dispatchable load*, the *day-ahead market make-whole payment settlement amount* is calculated as follows:

$$DAM_MWP_{k,h}^m = \text{Max}[0, DAM_COMP1_{k,h}^m + DAM_COMP2_{k,h}^m]$$

Where:

- a. $DAM_COMP1_{k,h}^m = OP(DAM_LMP_h^m, DAM_QSW_{k,h}^m, DAM_BL_{k,h}^m) - OP(DAM_LMP_h^m, DAM_EOP_{k,h}^m, DAM_BL_{k,h}^m)$
- b. $DAM_COMP2_{k,h}^m = -1 \times \sum_R [OP(DAM_PROR_{r,h}^m, DAM_QSOR_{r,k,h}^m, DAM_BOR_{r,k,h}^m) - OP(DAM_PROR_{r,h}^m, DAM_OR_EOP_{r,k,h}^m, DAM_BOR_{r,k,h}^m)]$

Day-Ahead Market Make-Whole Payment for Non-HDR Price Responsive Loads

3.4.9 For a *delivery point* 'm' associated with a *self-scheduling electricity storage resource* that is withdrawing or a *price responsive load* that is not registered as a *physical hourly demand response resource*, the *day-ahead market make-whole payment settlement amount* is calculated as follows:

$$DAM_MWP_{k,h}^m = \text{Max}[0, DAM_COMP1_{k,h}^m]$$

Where:

- a. $DAM_COMP1_{k,h}^m = OP(DAM_LMP_h^m, DAM_QSW_{k,h}^m, DAM_BL_{k,h}^m) - OP(DAM_LMP_h^m, DAM_EOP_{k,h}^m, DAM_BL_{k,h}^m)$

Day-Ahead Market Make-Whole Payment for Physical Hourly Demand Response Price Responsive Loads

3.4.10 For a *price responsive load* registered as a *physical hourly demand response resource*, the *day-ahead market make-whole payment settlement amount* is calculated as follows:

$$DAM_MWP_{k,h}^m = \text{Max}[0, DAM_COMP1_{k,h}^m]$$

Where:

- $$DAM_COMP1_{k,h}^m = \text{Max}\{0, [OP(DAM_LMP_h^m, DAM_QSW_{k,h}^m, DAM_BL_{k,h}^m) - OP(DAM_LMP_h^m, DAM_EOP_{k,h}^m, DAM_BL_{k,h}^m)]\} + \text{Max}\{0, [OP(DAM_LMP_h^m, DAM_HDR_QSW_{k,h}^m, DAM_HDR_BL_{k,h}^m) - OP(DAM_LMP_h^m, DAM_EOP_{k,h}^m, DAM_HDR_BL_{k,h}^m)]\}$$
- 'm' is the *delivery point* for the *price responsive load* and the physical *hourly demand response resource* that is registered as the *price responsive load metered market participant* 'k'.

Day-Ahead Market Make-Whole Payment for Boundary Entity Resources - Imports

3.4.11 For an import transaction at an *intertie metering point* 'i' associated with a *boundary entity resource*, the *day-ahead market make-whole payment settlement amount* is calculated as follows:

$$DAM_MWP_{k,h}^i = \text{Max}[0, DAM_COMP1_{k,h}^i + DAM_COMP2_{k,h}^i]$$

Where:

- $$DAM_COMP1_{k,h}^i = -1 \times [OP(DAM_LMP_h^i, DAM_QSI_{k,h}^i, DAM_BE_{k,h}^i) - OP(DAM_LMP_h^i, DAM_EOP_{k,h}^i, DAM_BE_{k,h}^i)]$$
- $$DAM_COMP2_{k,h}^i = -1 \times \sum_R [OP(DAM_PROR_{r,h}^i, DAM_QSOR_{r,k,h}^i, DAM_BOR_{r,k,h}^i) - OP(DAM_PROR_{r,h}^i, DAM_OR_EOP_{r,k,h}^i, DAM_BOR_{r,k,h}^i)]$$

Day-Ahead Market Make-Whole Payment for Boundary Entity Resources - Exports

3.4.12 For an export transaction at an *intertie metering point* 'i' associated with a *boundary entity resource*, the *day-ahead market make-whole payment settlement amount* is calculated as follows:

$$DAM_MWP_{k,h}^i = \text{Max}[0, DAM_COMP1_{k,h}^i + DAM_COMP2_{k,h}^i]$$

Where:

- a. $DAM_COMP1_{k,h}^i = OP(DAM_LMP_h^i, DAM_QSW_{k,h}^i, DAM_BL_{k,h}^i) - OP(DAM_LMP_h^i, DAM_EOP_{k,h}^i, DAM_BL_{k,h}^i)$
- b. $DAM_COMP2_{k,h}^i = -1 \times \sum_R [OP(DAM_PROR_{r,h}^i, DAM_QSOR_{r,k,h}^i, DAM_BOR_{r,k,h}^i) - OP(DAM_PROR_{r,h}^i, DAM_OR_EOP_{r,k,h}^i, DAM_BOR_{r,k,h}^i)]$

Day-Ahead Market Make-Whole Payment for Hydroelectric Generation Resources

3.4.13 For a *delivery point* 'm' associated with a *hydroelectric generation resource*, the *day-ahead market make-whole payment settlement amount* is calculated in accordance with the following:

3.4.13.1 for the purposes of this section 3.4.13, the following expressions shall have the following meanings:

- a. "Attained Max Starts" means the number of starts of a *hydroelectric generation resource* during a *trading day*, determined by the *IESO* in accordance with the applicable *market manual*, is equal to its *maximum number of starts per day*, and
- b. "Not Attained Max Starts" means either the number of starts of a *hydroelectric generation resource* during a *trading day*, determined by the *IESO* in accordance with the applicable *market manual*, is not equal to its *maximum number of starts per day* or a *hydroelectric generation resource* has not submitted a *maximum number of starts per day*;

3.4.13.2 where applicable, $FROP_{k,h}^m$ shall be determined as follows:

- a. If $DAM_QSI_{k,h}^m$ is not equal to $FR_UL_k^{m,f}$, or the *resource* does not have a *forbidden region*,

$$\underline{FROP_{k,h}^m = 0}$$

b. Otherwise,

$$FROP_{k,h}^m = OP(DAM_LMP_h^m, FR_UL_k^{m,f}, DAM_BE_{k,h}^m) - OP(DAM_LMP_h^m, Max(DAM_EOP_{k,h}^m, FR_LL_k^{m,f}), DAM_BE_{k,h}^m)$$

Where:

- i. $FR_UL_k^{m,f}$ is the forbidden region upper limit from forbidden region set 'f' where $DAM_QSI_{k,h}^m = FR_UL_k^{m,f}$, as submitted by market participant 'k' for delivery point 'm' as daily dispatch data;
- ii. $FR_LL_k^{m,f}$ is the forbidden region lower limit from forbidden region set 'f' where $DAM_QSI_{k,h}^m = FR_UL_k^{m,f}$, as submitted by market participant 'k' for delivery point 'm' as daily dispatch data; and
- iii. 'f' = (1...N) of the forbidden region set $\{FR_UL_k^{m,f}, FR_LL_k^{m,f}\}$ and N is the maximum number of forbidden regions.

3.4.13.3 if a hydroelectric generation resource, excluding those associated with linked forebays, has:

- a. Not Attained Max Starts, then for all settlement hours of its day-ahead schedule;
- b. Attained Max Starts, but has a day-head schedule with settlement hours with a binding reliability constraint, then for such settlement hours with a binding reliability constraint; or
- c. Attained Max Starts, but has a day-head schedule with settlement hours the are not within a start event, as determined in accordance with the applicable market manual, then for such settlement hours that are not within a start event,

the day-ahead market make-whole payment settlement amount is calculated as follows:

$$DAM_MWP_{k,h}^m = \text{Max}[0, DAM_COMP1_{k,h}^m + DAM_COMP2_{k,h}^m]$$

Where:

- i. $DAM_COMP1_{k,h}^m = (-1) \times [OP(DAM_LMP_h^m, DAM_QSI_{k,h}^m, DAM_BE_{k,h}^m) - OP(DAM_LMP_h^m, DAM_EOP_{k,h}^m, DAM_BE_{k,h}^m) - FROP_{k,h}^m]$
- ii. $FROP_{k,h}^m$ is determined in accordance with the formulation outlined in section 3.4.13.2.
- iii. $DAM_COMP2_{k,h}^m = -1 \times \sum_R [OP(DAM_PROR_{r,h}^m, DAM_QSOR_{r,k,h}^m, DAM_BOR_{r,k,h}^m) - OP(DAM_PROR_{r,h}^m, DAM_OR_EOP_{r,k,h}^m, DAM_BOR_{r,k,h}^m)]$

3.4.13.4 if a hydroelectric generation resource, excluding those associated with linked forebays, has Attained Max Starts, the day-ahead market make-whole payment settlement amount is calculated as follows:

$$DAM_MWP_{k,s}^m = \text{Max}[0, DAM_COMP1_{k,s}^m + DAM_COMP2_{k,s}^m]$$

Where:

- a. 's' is a start event consisting of a set of *settlement hours* for *market participant 'k'* at *delivery point 'm'*, as determined in accordance with the applicable *market manual*;
- b. $DAM_COMP1_{k,s}^m = (-1) \times \{[\sum_{Hp} OP(DAM_LMP_h^m, DAM_QSI_{k,h}^m, DAM_BE_{k,h}^m) - FROP_{k,h}^m] + [\sum_{Hn} OP(DAM_LMP_h^m, DAM_QSI_{k,h}^m, DAM_BE_{k,h}^m) - OP(DAM_LMP_h^m, DAM_EOP_{k,h}^m, DAM_BE_{k,h}^m) - FROP_{k,h}^m]\}$

And where:

- i. 'Hp' is the set of all settlement hours within start 's' where $OP(DAM_LMP_h^m, DAM_QSI_{k,h}^m, DAM_BE_{k,h}^m)$ is positive, excluding those settlement hours in which the resource has a binding reliability constraint;
- ii. 'Hn' is the set of all settlement hours within start 's' where $OP(DAM_LMP_h^m, DAM_QSI_{k,h}^m, DAM_BE_{k,h}^m)$ is negative and $DAM_QSI_{k,h}^m$ is greater than $DAM_EOP_{k,h}^m$, excluding those settlement hours in which the resource has a binding reliability constraint or a binding constraint referred to in section 3.4.2.3; and

iii. $FROP_{k,h}^m$ is determined in accordance with the formulation outlined in section 3.4.13.2.

$$c. \text{DAM_COMP2}_{k,s}^m = (-1) \times \sum_H \sum_R [OP(\text{DAM_PROR}_{r,h}^m, \text{DAM_QSOR}_{r,k,h}^m, \text{DAM_BOR}_{r,k,h}^m) - OP(\text{DAM_PROR}_{r,h}^m, \text{DAM_OR_EOP}_{r,k,h}^m, \text{DAM_BOR}_{r,k,h}^m)]$$

And where:

i. 'H' is the set of all *settlement hours* within start 's'.

3.4.13.5 For hydroelectric *generation resources* associated with *linked forebays*, the *day-ahead market make-whole payment settlement amount* is calculated in accordance with the following:

3.4.13.5.1 For those hydroelectric *generation resources* associated with *linked forebays* that have *Attained Max Starts*, the *IESO* shall apply the formulation specified in section 3.4.13.4 for those *resources*;

3.4.13.5.2 Subject to Section 3.4.13.5.3, for those hydroelectric *generation resources* associated with *linked forebays* that has:

- a. *Not Attained Max Starts*, then for all *settlement hours* of its *day-ahead schedule*;
- b. *Attained Max Starts* but has a *day-head schedule* with *settlement hours* with a binding *reliability* constraint, then for such *settlement hours* with a binding *reliability* constraint; or
- c. *Attained Max Starts* but has a *day-head schedule* with *settlement hours* the are not within a start event, as determined in accordance with the applicable *market manual*, then for such *settlement hours* the are not within a start event,

the *day-ahead market make-whole payment settlement amount* is calculated as follows:

$$DAM_MWP_{k,h+TL_m}^m = DAM_COMP1_{k,h+TL_m}^m + DAM_COMP2_{k,h+TL_m}^m$$

Where:

- i. $DAM_COMP1_{k,h+TL_m}^m = (-1) \times$
 $\{OP[DAM_LMP_{h+TL_m}^m, DAM_QSI_{k,h+TL_m}^m, DAM_BE_{k,h+TL_m}^m] -$
 $OP[DAM_LMP_{h+TL_m}^m, DAM_EOP_{k,h+TL_m}^m, DAM_BE_{k,h+TL_m}^m] -$
 $FROP_{k,h+TL_m}^m\}$
- ii. $FROP_{k,h+TL_m}^m$ is determined in accordance with the formulation outlined in section 3.4.13.2, except all references to subscript 'h' shall be replaced with subscript $h + TL_m$;
- iii. $DAM_COMP2_{k,h+TL_m}^m = -1 \times$
 $\sum_R [OP(DAM_PROR_{r,h+TL_m}^m, DAM_QSOR_{r,k,h+TL_m}^m, DAM_BOR_{r,k,h+TL_m}^m) -$
 $OP(DAM_PROR_{r,h+TL_m}^m, DAM_OR_EOP_{r,k,h+TL_m}^m, DAM_BOR_{r,k,h+TL_m}^m)]$

' TL_m ' is the *time-lag*, for each *delivery point* 'm', equal to the number of hours downstream that the *delivery point* is from the furthest upstream *delivery point* determined by the *time-lag*, submitted by the *market participant* in the daily *dispatch data* for the *linked forebay*.

3.4.13.5.3 Notwithstanding section 3.4.13.5.2, hydroelectric generation resources associated with linked forebays, which are subject to the calculation of the day-ahead market make-whole payment settlement amount in accordance with section 3.4.13.5.2, shall only receive the day-ahead market make-whole payment settlement amount pursuant to such section for a settlement hour when the following condition is true for such settlement hour:

- a. the total sum of all applicable components of such day-ahead market make-whole payment settlement amounts for all resources associated with linked forebays within a cascade group for such settlement hour each as calculated in accordance with section 3.4.13.5.2, regardless of whether the resource has Attained Max Starts, is greater than zero, as expressed as follows:

$$\sum^M [DAM_COMP1_{k,h+TL_m}^m + DAM_COMP2_{k,h+TL_m}^m] > 0$$

Where:

- i. 'M' is set of all delivery points 'm' associated with the linked forebays that are associated with the hydroelectric generation resources, as submitted by the market participant in its daily dispatch data;

- ii. ' TL_m ' is the *time-lag*, for each *delivery point* 'm', equal to the number of hours downstream that the *delivery point* is from the furthest upstream *delivery point* determined by the *time-lag*, submitted by the *market participant* in the *daily dispatch data* for the *linked forebay*; and
- iii. For greater certainty, this condition is assessed using the equation specified in section 3.4.13.5.2 for all of the *resources* associated with the *linked forebay* regardless of whether the *resources*' own entitlement to the *day-ahead market make-whole payment settlement amount* is determined in accordance with section 3.4.13.5.2 or 3.4.13.4.

Day-Ahead Market Make-Whole Payment for Dispatchable Generation Resources Associated with a Pseudo-unit

Combustion Turbine

3.4.14 For a *delivery point* 'c' for a combustion turbine associated with a *pseudo-unit*, the *day-ahead market make-whole payment settlement amount* is calculated as follows:

$$DAM_MWP_{k,h}^c = \text{Max}[0, DAM_COMP1_{k,h}^c + DAM_COMP2_{k,h}^c]$$

Where:

- a. $DAM_COMP1_{k,h}^c = -1 \times [OP(DAM_LMP_h^c, DAM_QSI_{k,h}^c, DAM_DIPC_{k,h}^c) - OP(DAM_LMP_h^c, DAM_EOP_{k,h}^c, DAM_DIPC_{k,h}^c)]$
- b. $DAM_COMP2_{k,h}^c = -1 \times \sum_R [OP(DAM_PROR_{r,h}^c, DAM_QSOR_{r,k,h}^c, DAM_OR_DIPC_{r,k,h}^c) - OP(DAM_PROR_{r,h}^c, DAM_OR_EOP_{r,k,h}^c, DAM_OR_DIPC_{r,k,h}^c)]$

Steam Turbine

3.4.15 For a *delivery point* 's' for a steam turbine associated with a *pseudo-unit*, the *day-ahead market make-whole payment settlement amount* is calculated as follows:

$$DAM_MWP_{k,h}^s = DAM_COMP1_{k,h}^s + DAM_COMP2_{k,h}^s$$

Where:

- a. $DAM_COMP1_{k,h}^s = -1 \times [OP(DAM_LMP_h^s, DAM_DIGQ_{k,h}^s, DAM_DIPC_{k,h}^s) - OP(DAM_LMP_h^s, DAM_EOP_DIGQ_{k,h}^s, DAM_DIPC_{k,h}^s)]$
- b. $DAM_COMP2_{k,h}^s = -1 \times \sum_R [OP(DAM_PROR_{r,h}^s, DAM_QSOR_{r,k,h}^s, DAM_OR_DIPC_{r,k,h}^s) - OP(DAM_PROR_{r,h}^s, DAM_OR_EOP_{r,k,h}^s, DAM_OR_DIPC_{r,k,h}^s)]$

3.5 Real-Time Make-Whole Payment

3.5.1 Subject to section 3.5.2, section 3.5.3, and the mitigation process described in section 5 and Appendix 9.4, the *real-time make-whole payment settlement amount* for *market participant* 'k' in *metering interval* 't' of *settlement hour* 'h' ("*RT MWP^{m,t}_{k,h}*") shall be calculated and disbursed to the *market participants for dispatchable loads, boundary entity resources, dispatchable electricity storage resources, or dispatchable generation resources* for each *settlement hour* where such *resource*:

- 3.5.1.1 has a *real-time schedule for energy* that was issued by the *IESO* due to a manual constraint or that was determined to be uneconomic upon completion of the *real-time calculation engine*, and the *resource* injects or withdraws, as the case may be, *energy* into the *IESO-controlled grid* in accordance with such *real-time schedule*; or
- 3.5.1.2 has a *real-time schedule for operating reserve* that was issued by the *IESO* due to a manual constraint or that was determined to be uneconomic upon completion of the *real-time calculation engine*, and the *resource* provides *operating reserve* into the *IESO-controlled grid* in accordance with such *real-time schedule*.

The *real-time make-whole payment settlement amount* shall be disbursed to the *market participants* for such *resources* in accordance with the eligibility and equations set out in this section 3.5 and the operating profit function described in section 10 of Appendix 9.2. The *real-time make-whole payment settlement amount* consists of the following components, where applicable:

- a. Energy lost cost component ("ELC") is the shortfall in payment on the real-time schedule for energy, as determined in accordance with sections 3.5.6(a), 3.5.7(a), 3.5.8(a), 3.5.8.1(a), 3.5.8.2(a), 3.5.9(a) or 3.5.10(a), as applicable;
- b. Operating reserve lost cost component ("OLC") is the shortfall in payment on the real-time schedule for operating reserve, as determined in accordance with sections 3.5.6(b), 3.5.7(b), 3.5.8.1(b), 3.5.8.2(b), 3.5.8.3, 3.5.9(b) or 3.5.10(b), as applicable;
- c. Energy lost opportunity cost component ("ELOC") is the compensation for the lost opportunity for energy based on the resource's RT LOC EOP and real-time schedule, as determined in accordance with sections 3.5.6(c), 3.5.7(c), 3.5.9(c) or 3.5.10(c), as applicable; and
- d. Operating reserve lost opportunity cost component ("OLOC") is the compensation for the lost opportunity for operating reserve based on the resource's RT OR LOC EOP and real-time schedule, as determined in accordance with sections 3.5.6(d), 3.5.7(d), 3.5.9(d) or 3.5.10(d), as applicable.

Real-Time Make-Whole Payment - Ineligibilities

- 3.5.2 Notwithstanding this section 3.5 but subject to section 3.5.3, a real-time make-whole payment settlement amount shall not be paid for:
- a. a called capacity export,
 - b. a boundary entity resource during any settlement hours in which the boundary entity resource has a real-time schedule for any linked wheeling through transactions;
 - c. a resource for any settlement hour for which it was dispatched, on request from the market participant, to prevent endangering the safety of any person, equipment damage, or violation of any applicable law;
 - d. a non-quick start resource not associated with a pseudo-unit, for any settlement hour in which its real-time schedule is less than its minimum loading point;
 - e. a combustion turbine associated with a pseudo-unit, for any settlement hour in which its real-time schedule is less than its minimum loading point;
 - f. a steam turbine associated with a pseudo-unit, for any settlement hour where none of the combustion turbines associated with the steam turbine have a real-time schedule greater than its minimum loading point;

g. a *variable generation resource* for any *settlement hour* in which it is subject to a *release notification*; or

h. a *boundary entity resource* for an *export transaction dispatched* with a reason code associated with a pre-dispatch pricing discrepancy, as set out in the applicable *market manual*, when the applicable *locational marginal price* in either the most recent pre-dispatch run or the *real-time market* does not exceed the export transaction *bid costs* for the last scheduled *price-quantity pair bid* lamination.

3.5.3 Notwithstanding sections 3.5.2, a real-time make-whole payment *settlement amount*, shall be determined for any *settlement hour* where a *resource* receives a *real-time schedule* resulting from a *reliability* constraint.

3.5.4 Notwithstanding this section 3.5, the following *resources* shall be ineligible for the following components of the real-time make-whole payment *settlement amount*:

3.5.4.1 The following *resources* shall be ineligible for ELC and ELOC:

a. *dispatchable loads* and *dispatchable electricity storage resources* that are withdrawing for any quantity of *energy* that they *bid* at the *maximum market clearing price* and which was scheduled in the *real-time market*;

b. combustion turbines or steam turbines that are not operating as a *pseudo-unit* for *metering intervals* in which they have a binding combined cycle physical unit constraint;

c. *hydroelectric generation resources*:

i. for any *settlement hour* for which the *hydroelectric generation resource* receives an *hourly must run* binding constraint;

ii. that share a *forebay*, for a *trading day*, except for any *metering intervals* for which it receives a binding *reliability* constraint, if the sum of the quantity of *energy* scheduled in the *real-time market* for all *settlement hours* of the *trading day* for all *resources* that share a *forebay* is less than or equal to the *minimum daily energy limit* of the shared *forebay*; or

iii. that do not share a *forebay*, for a *trading day*, except for any *metering intervals* for which it receives a binding *reliability* constraint, if the sum of the quantity of *energy* scheduled in the *real-time market* for all *settlement hours* of the *trading day* for

- such resources is less than or equal to its *minimum daily energy limit*;
- 3.5.4.2 *boundary entity resources* shall be ineligible for ELC, ELOC, and OLOC for import transactions;
- 3.5.4.3 *boundary entity resources* shall be ineligible for ELOC and OLOC for export transactions;
- 3.5.4.4 *dispatchable load resources* and *dispatchable electricity storage resources* that are withdrawing shall be ineligible for ELOC where the *price-quantity pairs* contained in its *energy bid* for a *settlement hour* are not the same as the *price-quantity pairs* contained in its *energy bid* for the immediately preceding and next *settlement hour* and such change results in the ramping of the *resource* described in the applicable *market manual*;
- 3.5.4.5 *resources* shall be ineligible for ELC when it is injecting or withdrawing energy below its *RT LC EOP*;
- 3.5.4.6 *resources* shall be ineligible for ELOC when it is injecting or withdrawing energy above *RT LOC EOP*;
- 3.5.4.7 *resources* shall be ineligible for OLC when its *real-time schedule for operating reserve* is less than its *RT OR LC EOP*;
- 3.5.4.8 *resources* shall be ineligible for OLOC when its *real-time schedule for operating reserve* is less than its *RT OR LOC EOP*; and
- 3.5.4.9 Subject to section 3.5.4.9.1, *dispatchable loads* and *dispatchable electricity storage resources* that are withdrawing shall be ineligible for ELOC when (i) its *RT LOC EOP* is greater than its *real-time schedule*; (ii) its *RT LOC EOP* is greater than its actual quantity of *energy withdrawn*; and (iii) any of the following conditions exists:
- a. its *real-time schedule* exceeds its actual quantity of *energy withdrawn* in the previous *metering interval* plus 2.5 minutes of ramping unless it is ramping up or down as specified in the applicable *market manual*; or
 - b. the *resource* has desynchronized from the *IESO-controlled grid* or is unable to follow its *dispatch instruction*.
- 3.5.4.9.1 Notwithstanding section 3.5.4.9, *dispatchable loads* and *dispatchable electricity storage resources* that are withdrawing

shall be eligible for ELOC in the circumstances described in section 3.5.4.9 in any of the following circumstances:

- a. the applicable *real-time market locational marginal price* for the relevant *metering interval* is greater than or equal to the *resource's bid price* for the last scheduled *price-quantity pair* for the current, next or previous *metering interval*;
- b. the *metering interval* is part of an activation for *operating reserves* as specified in the applicable *market manual*; or
- c. the *resource* was *dispatched* by the *IESO* to maintain the *reliability* of the *IESO-controlled grid*.

3.5.5 Notwithstanding anything in section 3.5 to the contrary and for the purpose of determining the real-time make-whole payment *settlement amount* for a *market participant*, the *IESO* shall adjust any:

3.5.5.1 *Offer price* and their substitutions as per section 5.1.2.2, as applicable, associated with a *generation resource*, *dispatchable electricity storage resource* that is injecting, or a *boundary entity resource* that is injecting that is less than (i) 0.00 \$/MWh; and (ii) the applicable *real-time market locational marginal price* for the applicable *metering interval*, to the lesser of 0.00 \$/MWh and such *real-time market locational marginal price*; and

3.5.5.2 *Bid price* and their substitutions as per section 5.1.2.2, as applicable, associated with a *dispatchable load*, *dispatchable electricity storage resource* that is withdrawing, or a *boundary entity resource* that is withdrawing that is less than (i) the price determined in accordance with the applicable *market manual*; and (ii) the applicable *real-time market locational marginal price* for the applicable *metering interval*, to the lesser of price determined in accordance with the applicable *market manual* and such *real-time market locational marginal price*.

Real-Time Make-Whole Payment for Dispatchable Generation Resources Not Associated with a Pseudo-Unit

3.5.6 For a *delivery point* 'm' associated with a *dispatchable electricity storage resource* that is injecting or a *dispatchable generation resource* not associated with a *pseudo-unit*, the real-time make-whole payment *settlement amount* is calculated as follows:

$$RT_MWP_{k,h}^m = \sum^T \text{Max}(0, RT_ELC_{k,h}^{m,t} + RT_OLC_{k,h}^{m,t}) + \text{Max}(0, RT_ELOC_{k,h}^{m,t} + RT_OLOC_{k,h}^{m,t})$$

Where:

- $RT_ELC_{k,h}^{m,t}$ is calculated in accordance with section 3.5.6.1;
- $RT_OLC_{k,h}^{m,t} = \sum_R \{-1 \times [OP(RT_PROR_{r,h}^{m,t}, \text{Max}(DAM_QSOR_{r,k,h}^m, RT_QSOR_{r,k,h}^{m,t}), BOR_{r,k,h}^{m,t}) - OP(RT_PROR_{r,h}^{m,t}, \text{Max}(RT_OR_LC_EOP_{r,k,h}^{m,t}, DAM_QSOR_{r,k,h}^m), BOR_{r,k,h}^{m,t})] / 12\}$
- $RT_ELOC_{k,h}^{m,t}$ is calculated in accordance with section 3.5.6.2;
- $RT_OLOC_{k,h}^{m,t} = \sum_R \{[OP(RT_PROR_{r,h}^{m,t}, RT_OR_LOC_EOP_{r,k,h}^{m,t}, BOR_{r,k,h}^{m,t}) - \text{Max}[0, OP(RT_PROR_{r,h}^{m,t}, RT_QSOR_{r,k,h}^{m,t}, BOR_{r,k,h}^{m,t})]] / 12\}$

Where:

- if the offer price of $BOR_{r,k,h}^{m,t}$ is greater than $RT_PROR_{r,h}^{m,t}$ the IESO shall revise the offer price of $BOR_{r,k,h}^{m,t}$ to be equal to $RT_PROR_{r,h}^{m,t}$.

3.5.6.1 The IESO shall calculate $RT_ELC_{k,h}^{m,t}$ as follows:

$$RT_ELC_{k,h}^{m,t} = -1 \times \left[\left[OP(RT_LMP_h^{m,t}, \text{Max}(DAM_QSI_{k,h}^m, \text{Min}(RT_QSI_{k,h}^{m,t}, AQEI_{k,h}^{m,t})), BE_{k,h}^{m,t}) - OP(RT_LMP_h^{m,t}, \text{Max}(RT_LC_EOP_{k,h}^{m,t}, DAM_QSI_{k,h}^m), BE_{k,h}^{m,t}) \right] - RT_FROP_LC_{k,h}^{m,t} \right] / 12$$

Where:

- the dispatchable generation resource is registered as a hydroelectric generation resource, $RT_QSI_{k,h}^{m,t}$ is greater than $FR_LL_k^{m,f}$, and $RT_QSI_{k,h}^{m,t}$ is less than or equal to $FR_UL_k^{m,f}$, then:

$$RT_FROP_LC_{k,h}^{m,t} = OP(RT_LMP_h^{m,t}, \text{Max}(DAM_QSI_{k,h}^m, \text{Min}(RT_QSI_{k,h}^{m,t}, AQEI_{k,h}^{m,t})), BE_{k,h}^{m,t}) - OP(RT_LMP_h^{m,t}, \text{Max}(FR_LL_k^{m,t,f}, DAM_QSI_{k,h}^m, RT_LC_EOP_{k,h}^{m,t}), BE_{k,h}^{m,t})$$

Where:

- $FR_UL_k^{m,f}$ is the forbidden region upper limit from forbidden region set 'f' where $RT_QSI_{k,h}^{m,t} \leq FR_UL_k^{m,f}$, as submitted by market participant 'k' for delivery point 'm' as daily dispatch data.

- ii. $\text{FR_LL}_k^{m,f}$ is the *forbidden region* lower limit from *forbidden region* set 'f' where $\text{RT_QSI}_{k,h}^{m,t} \geq \text{FR_LL}_k^{m,f}$, as submitted by *market participant* 'k' for *delivery point* 'm' as daily *dispatch data*.
 - iii. 'f' = (1...N) of the *forbidden region* set $\{\text{FR_UL}_k^{m,f}, \text{FR_LL}_k^{m,f}\}$ and 'N' is the maximum number of *forbidden regions*.
- b. Otherwise $\text{RT_FROP_LC}_{k,h}^{m,t}$ shall equal zero.

3.5.6.2 The *IESO* shall calculate $\text{RT_ELOC}_{k,h}^{m,t}$ as follows:

$$\begin{aligned} \text{RT_ELOC}_{k,h}^{m,t} = & \{ \text{OP}(\text{RT_LMP}_h^{m,t}, \text{RT_LOC_EOP}_{k,h}^{m,t}, \text{BE}_{k,h}^{m,t}) \\ & - \text{Max}[0, \text{OP}(\text{RT_LMP}_h^{m,t}, \text{Max}(\text{RT_QSI}_{k,h}^{m,t}, \text{AQEI}_{k,h}^{m,t}), \text{BE}_{k,h}^{m,t})] \\ & - \text{RT_FROP_LOC}_{k,h}^{m,t} \} / 12 \end{aligned}$$

Where:

- a. if the *offer price* of $\text{BE}_{k,h}^{m,t}$ is greater than $\text{RT_LMP}_h^{m,t}$, the *IESO* shall revise the *offer price* of $\text{BE}_{k,h}^{m,t}$ to be equal to $\text{RT_LMP}_h^{m,t}$
- b. if the *dispatchable generation resource* is registered as a hydroelectric *generation resource*, $\text{RT_QSI}_{k,h}^{m,t}$ is greater than or equal to FR_LL and $\text{RT_QSI}_{k,h}^{m,t}$ is less than FR_UL , then:

$$\begin{aligned} \text{RT_FROP_LOC}_{k,h}^{m,t} \\ = & \text{OP}(\text{RT_LMP}_h^{m,t}, \text{Min}(\text{FR_UL}_{k,h}^{m,t,f}, \text{RT_LOC_EOP}_{k,h}^{m,t}), \text{BE}_{k,h}^{m,t}) \\ & - \text{Max}[0, \text{OP}(\text{RT_LMP}_h^{m,t}, \text{Max}(\text{RT_QSI}_{k,h}^{m,t,f}, \text{AQEI}_{k,h}^{m,t}), \text{BE}_{k,h}^{m,t})] \end{aligned}$$

Where:

- i. $\text{FR_UL}_k^{m,f}$ is the *forbidden region* upper limit from *forbidden region* set 'f' where $\text{RT_QSI}_{k,h}^{m,t} < \text{FR_UL}_k^{m,f}$, as submitted by *market participant* 'k' for *delivery point* 'm' as daily *dispatch data*.
 - ii. $\text{FR_LL}_k^{m,f}$ is the *forbidden region* lower limit from *forbidden region* set 'f' where $\text{RT_QSI}_{k,h}^{m,t} \geq \text{FR_LL}_k^{m,f}$, as submitted by *market participant* 'k' for *delivery point* 'm' as daily *dispatch data*.
 - iii. 'f' = (1...N) of the *forbidden region* set $\{\text{FR_UL}_k^{m,f}, \text{FR_LL}_k^{m,f}\}$ and 'N' is the maximum number of *forbidden regions*.
- c. Otherwise $\text{RT_FROP_LOC}_{k,h}^{m,t}$ shall equal zero.

Real-Time Make-Whole Payment for Dispatchable Loads

3.5.7 For a *delivery point* 'm' associated with a *dispatchable load*, the real-time make-whole payment *settlement amount* is calculated as follows:

$$RT_MWP_{k,h}^m = \sum^T \text{Max}(0, RT_ELC_{k,h}^{m,t} + RT_OLC_{k,h}^{m,t}) + \text{Max}(0, RT_ELOC_{k,h}^{m,t} + RT_OLOC_{k,h}^{m,t})$$

Where:

- $RT_ELC_{k,h}^{m,t} = \text{Max}\{0, OP(RT_LMP_h^{m,t}, \text{Min}(RT_QSW_{k,h}^{m,t}, AQEW_{k,h}^{m,t}), BL_{k,h}^{m,t}) - OP(RT_LMP_h^{m,t}, \text{Max}(RT_LC_EOP_{k,h}^{m,t}, DAM_QSW_{k,h}^m), BL_{k,h}^{m,t})\}/12$
- $RT_OLC_{k,h}^{m,t} = \sum_R \{-1 \times [OP(RT_PROR_{r,h}^{m,t}, \text{Max}(DAM_QSOR_{r,k,h}^m, RT_QSOR_{r,k,h}^{m,t}), BOR_{r,k,h}^{m,t}) - OP(RT_PROR_{r,h}^{m,t}, \text{Max}(RT_OR_LC_EOP_{r,k,h}^{m,t}, DAM_QSOR_{r,k,h}^m), BOR_{r,k,h}^{m,t})]\}/12\}$
- $RT_ELOC_{k,h}^{m,t} = -1 \times \{OP(RT_LMP_h^{m,t}, RT_LOC_EOP_{k,h}^{m,t}, BL_{k,h}^{m,t}) - \text{Max}[0, OP(RT_LMP_h^{m,t}, \text{Max}(RT_QSW_{k,h}^{m,t}, AQEW_{k,h}^{m,t}), BL_{k,h}^{m,t})]\}/12$

And where:

- if the *bid* price of $BL_{k,h}^{m,t}$ is less than $RT_LMP_h^{m,t}$, the IESO shall revise the *bid* price of $BL_{k,h}^{m,t}$ to be equal to $RT_LMP_h^{m,t}$
- $RT_OLOC_{k,h}^{m,t} = \sum_R \{[OP(RT_PROR_{r,h}^{m,t}, RT_OR_LOC_EOP_{r,k,h}^{m,t}, BOR_{r,k,h}^{m,t}) - \text{Max}[0, OP(RT_PROR_{r,h}^{m,t}, RT_QSOR_{r,k,h}^{m,t}, BOR_{r,k,h}^{m,t})]]\}/12$

And where:

- if the *offer* price of $BOR_{r,k,h}^{m,t}$ is greater than $RT_PROR_{r,h}^{m,t}$, the IESO shall revise the *offer* price of $BOR_{r,k,h}^{m,t}$ to be equal to $RT_PROR_{r,h}^{m,t}$.

Real-Time Make-Whole Payment for Boundary Entity Resources

3.5.8 For a transaction at an *intertie metering point* 'i' associated with a *boundary entity resource*, the real-time make-whole payment *settlement amount* is calculated in accordance with the following:

3.5.8.1 For an export transaction *dispatched* with a reason code associated with manual *dispatch* out-of-merit, as set out in the applicable *market manual*.

$$RT_MWP_{k,h}^i = \sum^T \text{Max}(0, RT_ELC_{k,h}^{i,t} + RT_OLC_{k,h}^{i,t})$$

Where:

- a. $RT_ELC_{k,h}^{i,t} = \{OP(RT_LMP_h^{i,t}, \text{Max}(SQEW_{k,h}^{i,t}, DAM_QSW_{k,h}^i), BL_{k,h}^{i,t}) - OP(RT_LMP_h^{i,t}, \text{Max}(RT_LC_EOP_{k,h}^{i,t}, DAM_QSW_{k,h}^i), BL_{k,h}^{i,t})\} / 12$
- b. $RT_OLC_{k,h}^{i,t} = \sum_R [-1 \times \{OP(RT_PROR_{r,h}^{i,t}, \text{Max}(RT_QSOR_{r,k,h}^{i,t}, DAM_QSOR_{r,k,h}^i), BOR_{r,k,h}^{i,t}) - OP(RT_PROR_{r,h}^{i,t}, \text{Max}(RT_OR_LC_EOP_{r,k,h}^{i,t}, DAM_QSOR_{r,k,h}^i), BOR_{r,k,h}^{i,t})\} / 12]$

3.5.8.2 For an export transaction *dispatched* with a reason code associated with a pre-dispatch pricing discrepancy, as set out in the applicable *market manual*.

$$RT_MWP_{k,h}^i = \sum^T \text{Max}(0, RT_ELC_{k,h}^{i,t} + RT_OLC_{k,h}^{i,t})$$

Where:

- a. $RT_ELC_{k,h}^{i,t} = \{OP(\text{Min}(RT_LMP_h^{i,t}, PD_LMP_h^i), \text{Max}(SQEW_{k,h}^{i,t}, DAM_QSW_{k,h}^i), BL_{k,h}^{i,t}) - OP(\text{Min}(RT_LMP_h^{i,t}, PD_LMP_h^i), \text{Max}(RT_LC_EOP_{k,h}^{i,t}, DAM_QSW_{k,h}^i), BL_{k,h}^{i,t})\} / 12$
- b. $RT_OLC_{k,h}^{i,t} = \sum_R \{-1 \times [OP(RT_PROR_{r,h}^{i,t}, \text{Max}(RT_QSOR_{r,k,h}^{i,t}, DAM_QSOR_{r,k,h}^i), BOR_{r,k,h}^{i,t}) - OP(RT_PROR_{r,h}^{i,t}, \text{Max}(RT_OR_LC_EOP_{r,k,h}^{i,t}, DAM_QSOR_{r,k,h}^i), BOR_{r,k,h}^{i,t})] / 12\}$

3.5.8.3 For an import transaction:

$$RT_MWP_{k,h}^i = \sum^T \text{Max}(0, RT_OLC_{k,h}^{i,t})$$

Where:

- a. $RT_OLC_{k,h}^{i,t} = \sum_R \{-1 \times [OP(RT_PROR_{r,h}^{i,t}, \text{Max}(RT_QSOR_{r,k,h}^{i,t}, DAM_QSOR_{r,k,h}^i), BOR_{r,k,h}^{i,t}) - OP(RT_PROR_{r,h}^{i,t}, \text{Max}(RT_OR_LC_EOP_{r,k,h}^{i,t}, DAM_QSOR_{r,k,h}^i), BOR_{r,k,h}^{i,t})] / 12\}$

Real-Time Make-Whole Payment for Dispatchable Generation Resources Associated with a Pseudo-Unit

Combustion turbine

3.5.9 For a *delivery point* 'c' for a combustion turbine of a *dispatchable generation resource* associated with a *pseudo-unit*, the real-time make-whole payment *settlement amount* is calculated as follows:

$$RT_MWP_{k,h}^c = \sum^T \text{Max}(0, RT_ELC_{k,h}^{c,t} + RT_OLC_{k,h}^{c,t}) + \text{Max}(0, RT_ELOC_{k,h}^{c,t} + RT_OLOC_{k,h}^{c,t})$$

Where:

- a. $RT_ELC_{k,h}^{c,t} = (-1) \times$

$$\left[\frac{OP(RT_LMP_h^{c,t}, \text{Max}(DAM_QSI_{k,h}^c, \text{Min}(RT_QSI_{k,h}^{c,t}, AQEI_{k,h}^{c,t})), RT_DIPC_{k,h}^{c,t}) - OP(RT_LMP_h^{c,t}, \text{Max}(RT_LC_EOP_{k,h}^{c,t}, DAM_QSI_{k,h}^c), RT_DIPC_{k,h}^{c,t})}{12} \right]$$
- b. $RT_OLC_{k,h}^{c,t} = \sum_R [(-1) \times$

$$\left\{ \frac{OP(RT_PROR_{r,h}^{c,t}, \text{Max}(DAM_QSOR_{r,k,h}^c, RT_QSOR_{r,k,h}^{c,t}), RT_OR_DIPC_{r,k,h}^{c,t}) - OP(RT_PROR_{r,h}^{c,t}, \text{Max}(RT_OR_LC_EOP_{r,k,h}^{c,t}, DAM_QSOR_{r,k,h}^c), RT_OR_DIPC_{r,k,h}^{c,t})}{12} \right\}$$

And where:

- i. If the offer price in the $RT_OR_DIPC_{r,k,h}^{c,t}$ offer curve is greater than $RT_PROR_{r,h}^{c,t}$ for the same class r reserve, the IESO shall revise the offer price of $RT_OR_DIPC_{r,k,h}^{c,t}$ to be equal to $RT_PROR_{r,h}^{c,t}$.
- c. $RT_ELOC_{k,h}^{c,t} = \left\{ \frac{OP(RT_LMP_h^{c,t}, RT_LOC_EOP_{k,h}^{c,t}, RT_DIPC_{k,h}^{c,t}) - \text{Max}[0, OP(RT_LMP_h^{c,t}, \text{Max}(RT_QSI_{k,h}^{c,t}, AQEI_{k,h}^{c,t}), RT_DIPC_{k,h}^{c,t})]}{12} \right\}$

And where:

- i. If the offer price in the $RT_DIPC_{k,h}^{c,t}$ offer curve is greater than $RT_LMP_h^{c,t}$, the IESO shall revise the offer price of $RT_DIPC_{k,h}^{c,t}$ to be equal to $RT_LMP_h^{c,t}$.
- d. $RT_OLOC_{k,h}^{c,t} = \sum_R \left[\frac{OP(RT_PROR_{r,h}^{c,t}, RT_OR_LOC_EOP_{r,k,h}^{c,t}, RT_OR_DIPC_{r,k,h}^{c,t}) - \text{Max}[0, OP(RT_PROR_{r,h}^{c,t}, RT_QSOR_{r,k,h}^{c,t}, RT_OR_DIPC_{r,k,h}^{c,t})]}{12} \right]$

And where:

- i. If the offer price in the $RT_OR_DIPC_{r,k,h}^{c,t}$ offer curve is greater than $RT_PROR_{r,h}^{c,t}$ for the same class r reserve, the IESO shall revise the offer price of $RT_OR_DIPC_{r,k,h}^{c,t}$ to be equal to $RT_PROR_{r,h}^{c,t}$.

Steam turbine

3.5.10 For a delivery point 's' for a steam turbine of a dispatchable generation resource associated with a pseudo-unit where at least one of the combustion turbines associated with the pseudo-unit has a real-time schedule greater than or equal to its minimum loading point during the applicable settlement hour, the real-time make-whole payment settlement amount is calculated as follows:

$$RT_MWP_{k,h}^s = \sum^T \text{Max}(0, RT_ELC_{k,h}^{s,t} + RT_OLC_{k,h}^{s,t}) + \text{Max}(0, RT_ELOC_{k,h}^{s,t} + RT_OLOC_{k,h}^{s,t})$$

Where:

- a. $RT_ELC_{k,h}^{s,t} = (-1) \times [OP(RT_LMP_h^{s,t}, \text{Max}(DAM_DIGQ_{k,h}^s, \text{Min}(RT_QSI_DIGQ_{k,h}^{s,t}, AQEI_{k,h}^{s,t})), RT_DIPC_{k,h}^{s,t}) - OP(RT_LMP_h^{s,t}, \text{Max}(RT_LC_EOP_DIGQ_{k,h}^{s,t}, DAM_DIGQ_{k,h}^s), RT_DIPC_{k,h}^{s,t})] / 12$
- b. $RT_OLC_{k,h}^{s,t} = \sum_R [(-1) \times \{OP(RT_PROR_{r,h}^{s,t}, \text{Max}(DAM_QSOR_{r,k,h}^s, RT_QSOR_{r,k,h}^{s,t}), RT_OR_DIPC_{r,k,h}^{s,t}) - OP(RT_PROR_{r,h}^{s,t}, \text{Max}(RT_OR_LC_EOP_{r,k,h}^{s,t}, DAM_QSOR_{r,k,h}^s), RT_OR_DIPC_{r,k,h}^{s,t})\} / 12]$

And where:

- i. If the offer price in the $RT_OR_DIPC_{r,k,h}^{s,t}$ offer curve is greater than $RT_PROR_{r,h}^{s,t}$ for the same class r reserve, the IESO shall revise the offer price of $RT_OR_DIPC_{r,k,h}^{s,t}$ to be equal to $RT_PROR_{r,h}^{s,t}$.
- c. $RT_ELOC_{k,h}^{s,t} = \{OP(RT_LMP_h^{s,t0}, RT_LOC_EOP_DIGQ_{k,h}^{s,t0}, RT_DIPC_{k,h}^{s,t0}) - \text{Max}[0, OP(RT_LMP_h^{s,t0}, \text{Max}(RT_QSI_DIGQ_{k,h}^{s,t0}, AQEI_{k,h}^{s,t0}), RT_DIPC_{k,h}^{s,t0})]\} / 12 + \{OP(RT_LMP_h^{s,t1}, RT_LOC_EOP_DIGQ_{k,h}^{s,t1}, RT_DIPC_{k,h}^{s,t1}) - \text{Max}[0, OP(RT_LMP_h^{s,t1}, RT_QSI_DIGQ_{k,h}^{s,t1}, RT_DIPC_{k,h}^{s,t1})]\} / 12$

And where:

- i. 'T₀' is the set of all metering intervals 't' in settlement hour 'h' when none of the combustion turbines associated with the steam

turbine have a *real-time schedule* that is less than its respective *minimum loading point*;

- ii. 'T₁' is the set of all *metering intervals* 't' in *settlement hour* 'h' when (1) at least one combustion turbine associated with the steam turbine has a *real-time schedule* greater than or equal to its *minimum loading point*; and (2) at least one of the combustion turbines associated with the steam turbine has a *real-time schedule* that is less than its respective *minimum loading point*; and
- iii. If the *offer price* in the $RT_DIPC_{k,h}^{s,t}$ *offer curve* is greater than $RT_LMP_h^{s,t}$, the IESO shall revise the *offer price* of $RT_DIPC_{k,h}^{s,t}$ to be equal to $RT_LMP_h^{s,t}$.

$$d. RT_OLOC_{k,h}^s = \sum_R [\{OP(RT_PROR_{r,h}^{s,t}, RT_OR_LOC_EOP_{r,k,h}^{s,t}, RT_OR_DIPC_{r,k,h}^{s,t}) - \text{Max}[0, OP(RT_PROR_{r,h}^{s,t}, RT_QSOR_{r,k,h}^{s,t}, RT_OR_DIPC_{r,k,h}^{s,t})]\} / 12]$$

And where:

- i. If the *offer price* in the $RT_OR_DIPC_{r,k,h}^{s,t}$ *offer curve* is greater than $RT_PROR_{r,h}^{s,t}$ for the same *class r reserve*, the IESO shall revise the *offer price* of $RT_OR_DIPC_{r,k,h}^{s,t}$ to be equal to $RT_PROR_{r,h}^{s,t}$.

3.6 Real-Time Intertie Offer Guarantee

3.6.1 Subject to section 3.6.2, the real-time *intertie offer guarantee settlement amount* shall be calculated and disbursed to the *market participants* of a *boundary entity resource* in accordance with this section 3.6 for each *settlement hour* in which such *boundary entity resource* has either an *energy import transaction* scheduled in the *real-time market* that is incremental to its *day-ahead schedule* for the same *settlement hour* or an *energy import transaction* scheduled in the *real-time market* for a *settlement hour* in which the *boundary entity resource* does not have a *day-ahead schedule*.

3.6.2 *Energy import transactions* which form part of a *linked wheeling through transaction* shall not be eligible to receive a real-time *intertie offer guarantee settlement amount*.

3.6.3 The real-time *intertie offer guarantee settlement amount* for *market participant* 'k' in *settlement hour* 'h' in respect of *intertie metering point* 'i' (" $RT_IOG_{k,h}^i$ ") shall be determined for each eligible *energy import transaction* scheduled in the *real-*

time market, and determined by the following equation and the operating profit function described in section 10 of Appendix 9.2:

$$RT_IOG_{k,h}^i = \text{Max}[Potential_IOG_{k,h}^i - IOG_Offset_{k,h}^i, 0]$$

Where:

- a. $IOG_Offset_{k,h}^i$ is the real-time *intertie offer guarantee settlement amount* offset for market participant 'k' in settlement hour 'h' in respect of *intertie metering point* 'i', as determined in accordance with section 3.6.4; and
- b. $Potential_IOG_{k,h}^i = (-1) \times \text{Min} [0, \sum^T OP (RT_LMP_h^{i,t}, SQEI_{k,h}^{i,t}, BE_{k,h}^{i,t}) - \sum^T OP (RT_LMP_h^{i,t}, \text{Min}[SQEI_{k,h}^{i,t}, DAM_QSI_{k,h}^i], BE_{k,h}^{i,t})] / 12$

3.6.4 The real-time *intertie offer guarantee* offset for market participant 'k' in settlement hour 'h' in respect of *intertie metering point* 'i' (" $IOG_Offset_{k,h}^i$ ") is determined by the following equation:

$$IOG_Offset_{k,h}^i = OFFSET_MW_{k,h}^i \times IOG_RATE_{k,h}^i$$

Where:

- a. $IOG_RATE_{k,h}^i = \frac{Potential_IOG_{k,h}^i}{(\sum^T SQEI_{k,h}^{i,t} - DAM_QSI_{k,h}^i) / 12}$
- b. $IOG_RATE_{k,h}^i$ shall be zero if $DAM_QSI_{k,h}^i$ is greater than or equal to $SQEI_{k,h}^i$; and
- c. $OFFSET_MW_{k,h}^i$ is the offset quantity of an eligible *energy* import transaction scheduled in the *real-time market*, as determined in accordance with section 3.6.5.

3.6.5 The offset quantity of *energy* of an eligible *energy* import transaction scheduled in the *real-time market* ($OFFSET_MW_{k,h}^i$) shall be:

- 3.6.5.1 determined for each eligible *energy* import transaction scheduled in the *real-time market* with a $IOG_Rate_{k,h}^i$ that is greater than \$0/MW. For greater certainty, those eligible *energy* import transaction scheduled in the *real-time market* with an $IOG_Rate_{k,h}^i$ that is equal to \$0/MW shall not receive any real-time *intertie offer guarantee settlement amount*,
- 3.6.5.2 equal to the total value of all *energy* quantities offset against such transaction which shall be determined in accordance with the following:

- a. the offsetting process will produce an $OFFSET_MW_{k,h}^i$ value for each eligible *energy* import transaction scheduled in the *real-time market* with a non-zero $IOG_Rate_{k,h}^i$ and it shall not exceed the *energy* quantity of such import transaction;
- b. the offsetting process will include all import and export transactions scheduled in the *real-time market* and the *day-ahead market* which were scheduled to occur during the same *settlement hour* but shall not include any transactions that form part of a *linked wheeling through transaction*;
- c. the calculation of the $OFFSET_MW_{k,h}^i$ for an *energy* import transaction scheduled in the *real-time market* is cumulative. Each amount may only be offset or applied to offset once during the offsetting process and any amount specified during a step of the offsetting process is a reference to such amounts remaining following the application of the previous steps. For greater certainty, partial offsets are permitted;
- d. within each step of the offsetting process, an eligible *energy* import transaction scheduled in the *real-time market* will be offset in ascending order of their respective $IOG_Rate_{k,h}^i$ from those with the lowest $IOG_Rate_{k,h}^i$ to those with the highest $IOG_Rate_{k,h}^i$. Once $OFFSET_MW_{k,h}^i$ equals the *energy* quantity of the applicable eligible *energy* import transaction scheduled in the *real-time market*, the process shall restart in respect of the next eligible *energy* import transaction scheduled in the *real-time market* scheduled during the same *settlement hour*;
- e. where the *IESO* determines that the *market participant* has an agreement or arrangement to share the *real-time intertie offer guarantee settlement amount* with one or more other *market participants*, the offsetting process shall include the applicable transactions of all such *market participants* as part of the same process; and
- f. the offsetting process shall be conducted in accordance with the process outlined in the applicable *market manual*, which will, in the following order:
 - i. offset export transaction quantities scheduled in the *real-time market* by the amount of *day-ahead market energy* export transaction quantities scheduled in the *day-ahead market* for the same *boundary entity resource*;

- ii. for each *intertie*:
 - a. offset eligible *energy* import transaction quantities scheduled in the *real-time market* by *day-ahead market energy* import transaction quantities on the same *intertie* that were not scheduled in the *real-time market*; and
 - b. offset eligible *energy* import transaction quantities scheduled in the *real-time market* by *energy export* transaction quantities scheduled in the *real-time market* on the same *intertie*;
- iii. for each *neighbouring electricity system*:
 - a. offset *energy* import transaction quantities scheduled in the *real-time market* by *day-ahead market energy* import transaction quantities relating to the same *neighbouring electricity system* that were not scheduled in the *real-time market*; and
 - b. offset *energy* import transaction quantities scheduled in the *real-time market* by *energy export* transaction quantities scheduled in the *real-time market* relating to the same *neighbouring electricity system*; and
- iv. for the *IESO control area*:
 - a. offset *energy* import transaction quantities scheduled in the *real-time market* by any other *day-ahead market energy* import transaction quantities not scheduled in the *real-time market*; and
 - b. offset *energy* import transaction quantities scheduled in the *real-time market* by any other *energy export* transaction quantities scheduled in the *real-time market*.

3.7 Real-Time Intertie Failure Charges

- 3.7.1 The real-time import failure charge and the real-time export failure charge, referred to in MR Ch.7 s.7.5.8B, are *settlement amounts* calculated for each transaction meeting the eligibility criteria outlined in sections 3.7.3 and 3.7.5, respectively, and shall be collected from *market participants for boundary entity resources* in accordance with sections 3.7.4 and 3.7.6, respectively.
- 3.7.2 The *IESO* shall determine, in accordance with the applicable *market manual*, any price bias adjustment factors to be used in the calculation of the real-time import failure charge or the real-time export failure charge, and shall *publish* all

applicable price bias adjustment factors in advance of the *settlement hours* to which such price bias adjustment factors apply.

Real-Time Import Failure Charge

3.7.3 The *IESO* shall assess a *market participant* with a real-time import failure charge *settlement amount* for any quantity of *energy* scheduled in its *real-time schedule* for injection at an *intertie metering point* where:

3.7.3.1 the *market participant* receives a *real-time schedule* for a greater quantity of *energy* scheduled for injection than it was scheduled to inject in accordance with its *day-ahead schedule* in respect of the same *metering interval* of the same *settlement hour* at the same *intertie metering point*;

3.7.3.2 the *market participant* does not receive a *real-time schedule* for at least the same quantity of *energy* scheduled for injection as it was scheduled to inject in accordance with its latest *pre-dispatch schedule* in respect of the same *metering interval* of the same *settlement hour* at the same *intertie metering point*; and

3.7.3.3 the *IESO* has not determined, nor has the *market participant* demonstrated to the satisfaction of the *IESO*, that the circumstances described in sections 3.7.3.1 and 3.7.3.2 was due to bona fide and legitimate reasons as described in MR Ch.7 s.7.5.8B.

3.7.4 For each import transaction scheduled in the *real-time schedule* that meets the criteria set out in section 3.7.3, the real-time import failure charge for *market participant* 'k' at *intertie metering point* 'i' in *settlement hour* 'h' ($RT_IMFC_{k,h}^i$) shall be determined as follows:

$$RT_IMFC_{k,h}^i = \sum^T (-1) \times \text{Min} \left(\text{Max} \left(0, (RT_IBP_h^{i,t} + PB_IM_h^t - PD_IBP_h^i) \times RT_ISD_{k,h}^{i,t}, \text{Max} \left(0, RT_IBP_h^{i,t} \times RT_ISD_{k,h}^{i,t} \right) \right) / 12 \right)$$

Where:

- a. $RT_ISD_{k,h}^{i,t} = \text{Max} \left(\text{Max} \left(PD_QSI_{k,h}^i - DAM_QSI_{k,h}^i, 0 \right) - \text{Max} \left(SQEI_{k,h}^{i,t} - DAM_QSI_{k,h}^i, 0 \right), 0 \right)$

Real-Time Export Failure Charge

3.7.5 The *IESO* shall assess a *market participant* with a real-time export failure charge *settlement amount* for any quantity of *energy* scheduled in its *real-time schedule* for withdrawal at an *intertie metering point* where:

3.7.5.1 the *market participant* receives a *real-time schedule* for a greater quantity of *energy* scheduled for withdrawal than it was scheduled to withdraw in accordance with its *day-ahead schedule* in respect of the same *metering interval* of the same *settlement hour* at the same *intertie metering point*;

3.7.5.2 the *market participant* does not receive a *real-time schedule* for at least the same quantity of *energy* scheduled for withdrawal as it was scheduled to withdraw in accordance with its latest *pre-dispatch schedule* in respect of the same *metering interval* of the same *settlement hour* at the same *intertie metering point*; and

3.7.5.3 the *IESO* has not determined, nor has the *market participant* demonstrated to the satisfaction of the *IESO*, that the circumstances described in sections 3.7.5.1 and 3.7.5.2 was due to bona fide and legitimate reasons described in MR Ch.7 s.7.5.8B.

3.7.6 For each export transaction scheduled in the *real-time schedule* that meets the criteria set out in section 3.7.5, the real-time export failure charge for *market participant* 'k' at *intertie metering point* 'i' in *settlement hour* 'h' ($RT_EXFC_{k,h}^i$) shall be determined as follows:

$$RT_EXFC_{k,h}^i = \sum^T (-1) \times \text{Min} \left(\text{Max} \left(0, (PD_IBP_h^i - PB_EX_h^t - RT_IBP_h^{i,t}) \times RT_ESD_{k,h}^{i,t}, \text{Max} \left(0, PD_IBP_h^i \times RT_ESD_{k,h}^{i,t} \right) \right) \right) / 12$$

Where:

- a. $RT_ESD_{k,h}^{i,t} = \text{Max} \left(\text{Max} \left(PD_QSW_{k,h}^i - DAM_QSW_{k,h}^i, 0 \right) - \text{Max} \left(SQEW_{k,h}^{i,t} - DAM_QSW_{k,h}^i, 0 \right), 0 \right)$

3.8 Hourly Settlement Amounts for Transmission Rights

3.8.1 The *TR settlement credit settlement amount* for market participant 'k' in settlement hour 'h' (" $TRSC_{k,h}$ ") shall, other than where MR Ch.8 s.3.4.2 or 3.4.3 applies, be determined by the following:

3.8.1.1 if the injection *TR zone* of the *transmission right* is in the *IESO control area*, determined by the following equation:

$$TRSC_{k,h} = \text{Max}[0, QTR_{k,h}^{i,j} \times DAM_PEC_h^i]$$

3.8.1.2 if the withdrawal *TR zone* of the *transmission right* is in the *IESO control area*, determined by the following equation:

$$TRSC_{k,h} = \text{Max}[0, -1 \times QTR_{k,h}^{i,j} \times DAM_PEC_h^j]$$

Where:

- 'j' is the *registered wholesale meter* or *intertie metering points* associated with the withdrawal *TR zone*;
- 'i' is the *registered wholesale meter* or *intertie metering points* associated with the injection *TR zone*;
- $DAM_PEC_h^i$ is the *day-ahead market* external congestion price for *energy* in injection *TR zone* 'i' in *settlement hour* 'h'; and
- $DAM_PEC_h^j$ is the *day-ahead market* external congestion price for *energy* in withdrawal *TR zone* 'j' in *settlement hour* 'h'.

3.8.2 The amount of the *day-ahead market* net external congestion residual, which is the *day-ahead market external congestion rent* remaining following the disbursement of the *TR settlement credit settlement amount*, in *settlement hour* 'h' (" DAM_NECR_h ") shall be calculated as follows:

$$\begin{aligned} DAM_NECR_h &= \sum_K^I [(DAM_QSW_{k,h}^i - DAM_QSI_{k,h}^i) \times DAM_PEC_h^i] \\ &\quad - \sum_K [TRSC_{k,h}] \end{aligned}$$

- 3.8.3 Disbursements from the *TR clearing account* authorized by the *IESO Board* pursuant to MR Ch.8 s.3.18.2 shall be disbursed by the *IESO* in accordance with section 4.9.
- 3.8.4 Any net revenues received from the sale of a *transmission right* in a *TR auction*, along with the *DAM_NECR_n* and any other credits referred to in MR Ch.8 s.3.18.1, shall be credited to the *TR clearing account* and shall be used in accordance with the provisions of section 3.8.3 and the provisions of MR Ch.8.

3.9 Operating Deviations (ORSSD)

- 3.9.1 The *IESO* may adjust by means of a debit to the *settlement statement* of any *market participant* who is compensated in the market for providing *operating reserve* from a specific *resource* that operates in a way that does not provide the service for which it has been paid. Such debits in any *settlement hour* may represent either the decreased value of services provided in that same *settlement hour*, or the value of *operating reserve* services deemed not to have been provided in earlier *dispatch hours* as a result of failure to perform when called in the later *dispatch hour* associated with that *settlement hour*. The hourly *settlement* debits for failure to provide *energy* from *operating reserve* when it is called are set forth in this section 3.9.
- 3.9.2 The *operating reserve* shortfall *settlement* debit *settlement amount* may be calculated and collected from *market participants* for each *settlement hour* where such *market participants' resources* have a *real-time schedule* to provide *ten-minute operating reserve* or *thirty-minute operating reserve* and then fails to provide *energy* from that class of *operating reserve* when instructed to do so by the *IESO* according to these *market rules*. The *operating reserve* shortfall *settlement* debit *settlement amount* for *market participant* 'k' for *class r* reserve for *settlement hour* 'h' (" $ORSSD_{k,r,h}$ ") is determined in accordance with the following:

- 3.9.2.1 where the most recent *dispatch instruction* issued to the *market participant* for the activation of *class r* reserve prior to the current *metering interval* was issued within the 719 *settlement hours* preceding the current *settlement hour* and resulted in $ORESF_{k,r,h}^{m,t}$ that exceeded the value referred to in section 3.9.5,

$$ORSSD_{k,r,h} = \sum_{m,t} [ORESF_{k,r,h}^{m,t} \times \sum_{T,H} (ORRSC_{k,r,H}^{m,T})]; \text{ or}$$

- 3.9.2.2 in all other cases,

$$ORSSD_{k,r,h} = \sum_{m,t} [ORES_{k,r,h}^{m,t} \times \sum_{T,H} (ORRSC_{k,r,H}^{m,T}) / 2]$$

Where:

- a. $ORES_{k,r,h}^{m,t}$ is calculated in accordance with section 3.9.3;
- b. $ORRSC_{k,r,H}^{m,T}$ is calculated in accordance with section 3.9.4;
- c. 't' is all *metering intervals* in *settlement hour* 'h' in which $ORES_{k,r,h}^{m,t}$ exceeds the value referred to in section 3.9.5;
- d. 'T' is all *metering intervals* referred to in section 3.9.4 (a) or 3.9.4(b), as the case may be;
- e. 'H' is all *settlement hours* referred to in section 3.9.4 (a) or 3.9.4(b), as the case may be; and
- f. 'm' is all *registered wholesale meters* serving *market participant* 'k's *resources*.

3.9.3 The *energy* shortfall fraction for *class r* reserve for *resource* 'k/m' in *metering interval* 't' of *settlement hour* 'h' ($ORES_{k,r,h}^{m,t}$) is determined in accordance with the following:

3.9.3.1 where *operating reserve* is provided from a *generation resource* or from an *electricity storage resource* injecting *energy*:

$$ORES_{k,r,h}^{m,t} = \text{Max} [(SE_{k,h}^{m,t} - AQEI_{k,h}^{m,t}) / SE_{k,h}^{m,t}, 0]$$

3.9.3.2 where *operating reserve* is provided from a *dispatchable load* or from an *electricity storage resource* withdrawing *energy*:

$$ORES_{k,r,h}^{m,t} = \text{Max} [(AQEW_{k,h}^{m,t} - SE_{k,h}^{m,t}) / AQEW_{k,h}^{m,t}, 0]$$

3.9.3.3 in either of the above cases, $ORES_{k,r,h}^{m,t}$ shall be 0 if:

- a. $SE_{k,h}^{m,t} = 0$;
- b. no *class r* reserve is activated for *resource* 'k/m', at *registered wholesale meter* 'm' during *metering interval* 't' of *settlement hour* 'h'; or
- c. $ORES_{k,r,h}^{m,t}$ is less than the value established by the *IESO Board* and published in accordance with section 3.9.5.

Where:

i. $SE_{k,h}^{m,t}$ = total scheduled *energy* in the *real-time market*, including activated *operating reserve*, from *resource 'k/m'* at *registered wholesale meter 'm'*, determined on the basis of the *dispatch instructions for metering interval 't' of settlement hour 'h'*.

3.9.4 define $\sum_{T,H} (ORRSC_{k,r,H}^{m,T})$ = total *settlement credits for class r reserve* (including *real-time make whole payment settlement amount* related to *class r reserve*) during the lesser of:

3.9.4.1 where *resource 'k/m'* has not been activated to provide *operating reserve* during the 719 *settlement hours* preceding the current *settlement hour*, all *metering intervals* during the current *settlement hour* and all of the *metering intervals* within the 719 *settlement hours* preceding the current *settlement hour*; or

3.9.4.2 where *resource 'k/m'* has been activated to provide *operating reserve* during the 719 *settlement hours* preceding the current *settlement hour* all *metering intervals* between the current *metering interval*, including the current *metering interval* and the most recent *metering interval* preceding the current *metering interval*, in which the *market participant 'k'* received a *dispatch instruction* for the activation of *class r reserve* from *resource 'k/m'*.

3.9.5 For the purposes of section 3.9.3.3, the *IESO Board* shall establish, and the *IESO* shall *publish*, a value below which $ORESF_{k,r,h}^{m,t}$ shall be set at zero. Where the *IESO Board* revises such value:

3.9.5.1 any such revised value shall be *published* by the *IESO*; and

3.9.5.2 the revised value shall not be used for the purposes of calculating $ORESF_{k,r,h}^{m,t}$ until the 31st *trading day* following the date of *publication*.

3.10 Hourly Uplifts

Hourly Uplift Settlement Amount

3.10.1 The total *hourly uplift for settlement hour 'h'* ("HUSA_h") to be recovered from *market participants* shall be determined according to the following equation:

$$\begin{aligned}
 HUSA_h = & \sum_K (HORSA\{1\}_{k,h} + HORSA\{2\}_{k,h} + DAM_BC_{k,h} + RT_MWP_{k,h} + RT_IOG_{k,h} \\
 & + RT_NISLR_h) \\
 & - \sum_K \left(\sum_R ORSSD_{r,k,h} + RT_IMFC_{k,h} + RT_EXFC_{k,h} + GFC_MPC_{k,h} \right. \\
 & \left. + RT_RLSC_{k,h} + DAM_RLSC_{k,h} \right)
 \end{aligned}$$

Where:

- a. *HORSA\{1\}_{k,h}* is the hourly operating reserve settlement amount calculated in accordance with section 3.1.10 for market participant 'k' in settlement hour 'h';
- b. *HORSA\{2\}_{k,h}* is the hourly operating reserve settlement amount calculated in accordance with section 3.1.11 for market participant 'k' in settlement hour 'h';
- c. *DAM_BC_{k,h}* is the day-ahead market balancing credit calculated in accordance with section 3.3 for market participant 'k' in settlement hour 'h';
- d. *RT_MWP_{k,h}* is the real-time make-whole payment settlement amount calculated in accordance with section 3.5 for market participant 'k' in settlement hour 'h';
- e. *RT_IOG_{k,h}* is the net real-time inertia offer guarantee settlement amount calculated in accordance with section 3.6 for market participant 'k' in settlement hour 'h';
- f. *RT_IMFC_{k,h}* is the real-time inertia failure charge settlement amount for import transactions calculated in accordance with section 3.7.4 for market participant 'k' in settlement hour 'h';
- g. *RT_EXFC_{k,h}* is the real-time inertia failure charge settlement amount for export transactions calculated in accordance with section 3.7.6 for market participant 'k' in settlement hour 'h';
- h. *RT_NISLR_h* is the real-time market net interchange scheduling limit (NISL) residual calculated in accordance with section 4.8.8 for settlement hour 'h';
- i. *GFC_MPC_{k,h}* is the market price component of the generator failure charge settlement amount calculated in accordance with sections 4.10.5 and 4.10.8 for market participant 'k' in settlement hour 'h';

- j. $RT_RLSC_{k,h}$ is the real-time market reference level settlement charge settlement amount calculated in accordance with section 5.3 for market participant 'k' in settlement hour 'h';
- k. $DAM_RLSC_{k,h}$ is the day-ahead market reference level settlement charge settlement amount calculated in accordance with section 5.2 for market participant 'k' in settlement hour 'h'; and
- l. $ORSSD_{r,k,h}$ is the operating reserve shortfall settlement debit settlement amount calculated in accordance with section 3.9.2 for market participant 'k' for class r reserve for settlement hour 'h'.

3.10.2 The IESO shall allocate the hourly uplift to all market participants on a pro-rata basis across all allocated quantities of energy withdrawn at all delivery points and across all scheduled quantities of energy withdrawn at all intertie metering points during all metering intervals within each settlement hour in which an hourly uplift accrues. The hourly uplift settlement amount to be collected or disbursed to market participant 'k' in settlement hour 'h' (" $HUSA_{k,h}$ ") shall be determined as follows:

$$HUSA_{k,h} = HUSA_h \times \left[\frac{\sum^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t} + RQ_{k,h}^{m,i,t})}{\sum_K^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t})} \right]$$

Where:

- a. 'M' is all delivery points 'm' and intertie metering points 'i'.

The hourly uplift settlement amount may be disaggregated by the IESO on settlement statements in such manner as the IESO determines appropriate.

3.4. Non-hHourly Settlement Amounts

4.1 Transmission Tariff Charges

- 4.1.1 The IESO shall collect from transmission customers, and distribute to transmitters, transmission services charges approved by the OEB in accordance with [Chapter-MR Ch.10](#).

4.2 Ancillary Service Payments

- 4.2.1 The IESO shall have the authority to negotiate reliability must-run contracts with registered market participants or prospective registered market participants

regarding the operation of *reliability must-run resources* in accordance with ~~section 9 of Chapter 7~~ MR Ch.7 s.9. Where such *reliability must-run contracts* provide both for payments from the *energy market* and *operating reserve market* pursuant to section 3 and additional payments for making *physical services*, other than *contracted ancillary services*, available to those markets, any such additional payments required to be made in a given *energy market billing period* shall be recovered from *market participants* through a uniform charge, in \$/MWh, imposed on a pro-rata basis across all allocated quantities of *energy* withdrawn at all ~~RWMs and~~ registered wholesale meters and across all scheduled quantities of energy withdrawn at all *intertie metering points* during all *metering intervals* and *settlement hours* within that *energy market billing period*.

- 4.2.2 The *IESO* shall contract for *certified black start facilities* adequate to permit the *IESO* to meet its obligations under ~~Chapter MR Ch.5~~. The costs to the *IESO* of contracting for such *certified black start facilities* in a given *energy market billing period* shall be recovered from *market participants* through a uniform charge, in \$/MWh, imposed on a pro-rata basis across all allocated quantities of *energy* withdrawn at all ~~RWMs and~~ registered wholesale meters and across all scheduled quantities of energy withdrawn at all *intertie metering points* during all *metering intervals* and *settlement hours* within that *energy market billing period*.
- 4.2.3 The *IESO* shall contract for *regulation* adequate to permit the *IESO* to meet its obligations under ~~Chapter MR Ch.5~~. The costs to the *IESO* of contracting for *regulation* in a given *energy market billing period* shall be recovered from *market participants* through a uniform charge, in \$/MWh, imposed on a pro-rata basis across all allocated quantities of *energy* withdrawn at all ~~RWMs and~~ registered wholesale meters and across all scheduled quantities of energy withdrawn at all *intertie metering points* during all *metering intervals* and *settlement hours* within that *energy market billing period*.
- 4.2.3A ~~[Intentionally left blank — section deleted]~~
- 4.2.4 The *IESO* shall contract for *reactive support service* and *voltage control service* adequate to permit the *IESO* to meet its obligations under ~~Chapter MR Ch.5~~. The costs to the *IESO* of contracting for such *reactive support service* and *voltage control service* in a given *energy market billing period* shall be recovered in accordance with the following:
- 4.2.4.1 *market participants* shall pay for such costs through a uniform charge, in \$/MWh, imposed on a pro-rata basis across all allocated quantities of *energy* withdrawn at all ~~RWMs and~~ registered wholesale meters and across all scheduled quantities of energy withdrawn at all *intertie metering points* during all *metering intervals* and *settlement hours* within that *energy market billing period*;

4.2.4.2 there shall be no power factor requirements or penalties associated with electrical power flowing out of Ontario through *intertie metering points*, and

4.2.4.3 there shall be no separate compensation from the *IESO* for *reactive support service* and *voltage control service* from equipment such as capacitor banks, reactor banks, and synchronous condensers owned by *transmitters*. Any compensation for providing such *ancillary services* shall be included in the *transmission services charges* to the extent provided by the *OEB*.4.2.5 Subject to ~~sections MR Ch.7 ss.9.4.2 and 9.4.4 of Chapter 7~~, no compensation shall be paid for *ancillary services* provided pursuant to the connection requirements of ~~Chapter MR Ch.4~~.

~~4.2.6 [Intentionally left blank]~~

~~4.3 [Intentionally left blank]~~

~~4.4 [Intentionally left blank—section deleted]~~

~~4.4.1 [Intentionally left blank—section deleted]~~

4.54.3 IESO Administration Charge, Penalties, and Fines

4.53.1 The *IESO* shall determine a methodology for calculating and allocating an *IESO administration charge*.

4.4 Day-Ahead Market Generator Offer Guarantee

General

~~4.4.1 Subject to section 4.4.2 and the mitigation process described in section 5 and Appendix 9.4, the *day-ahead market generator offer guarantee settlement amount for market participant 'k'* ("DAM GOG_k") shall be calculated for each *settlement hour* within a *day-ahead commitment period* for each *GOG-eligible resource* and disbursed to the *market participant* for such *resource* in accordance with the operating profit function described in section 10 of Appendix 9.2, and this section 4.4.~~

~~4.4.1.1 In determining the *day-ahead market generator offer guarantee settlement amount* in this section 4.4, the following expressions shall have the following meanings:~~

- a. "Day -1" refers to the day the *day-ahead market calculation engine* runs to set the *day-ahead schedule* for Day 0;
 - b. "Day 0" refers to the *dispatch day* for which the *day-ahead market generator offer guarantee settlement amount* is being calculated; and
 - c. *day-ahead commitment period* is the set of contiguous *settlement hours* with *day-ahead schedules* from the start of *minimum generation block run-time* to the end of the *day-ahead operational commitment* or *extended pre-dispatch operational commitment*, as applicable.
- 4.4.1.2 The *day-ahead market generator offer guarantee settlement amount* will be determined utilizing one of three possible variants each of which consists of the following components, where applicable:
- a. Component 1 is any shortfall in payment on the *day-ahead schedule* for *energy* based upon the *resource's* operating profit for *energy* and its *speed no-load offers*, and is calculated in accordance with sections 4.4.6, 4.4.15, or 4.4.22, as applicable;
 - b. Component 2 is any shortfall in payment on the *day-ahead schedule* for *operating reserve* based upon the *resource's* operating profit for *operating reserve*, and is calculated in accordance with sections 4.4.7, 4.4.16, or 4.4.23, as applicable;
 - c. Component 3 is the amount calculated by Component 1 up to the *minimum loading point* for the *settlement hours* of *minimum generation block run-time* scheduled over midnight into Day 0, and is calculated in accordance with sections 4.4.8, 4.4.17, or 4.4.24, as applicable;
 - d. Component 4 is any as-offered *start-up costs* to bring an offline *GOG-eligible resource* through its specific start-up procedures to meet its *day-ahead operational commitment*, including synchronization and ramp-up to *minimum loading point*, and is calculated in accordance with sections 4.4.9, 4.4.18, or 4.4.25, as applicable; and
 - e. Component 5 is any *day-ahead market make-whole payment settlement amount* that was received in respect of the same *day-ahead commitment period* and is calculated in accordance with sections 4.4.11, 4.4.20, or 4.4.26, as applicable.

4.4.2 Notwithstanding section 4.4.1, a *market participant* shall be ineligible to receive a *day-ahead market generator offer guarantee settlement amount* for a *settlement hour* where:

4.4.2.1 the *GOG-eligible resource* has committed its capacity to an external *control area* and the external *control area operator* has called a *called capacity export*:

- a. prior to the *GOG-eligible resource* receiving a *day-ahead operational commitment*, or
- b. after the *GOG-eligible resource* receives a *day-ahead operational commitment* and the *IESO* restricts other transactions on *interconnected systems* in accordance with MR Ch.5 s.2.3 and 5.7, while maintaining the *called capacity export* transaction; or

4.4.2.2 when all of the following circumstances are true:

- a. the *GOG-eligible resource* has a *day-ahead operational commitment* or *pre-dispatch operational commitment* in the last *settlement hour* of Day -1 at the time the *day-ahead market calculation engine* determines the *day-ahead schedule* for Day 0;
- b. the *GOG-eligible resource* has completed its scheduled *minimum generation block run-time* in Day -1 and has a *day-ahead operational schedule* in the first *settlement hour* of Day 0 in order to ramp down the *GOG-eligible resource* to an offline status; and
- c. the *GOG-eligible resource* did not receive an *extended pre-dispatch operational commitment* for the first *settlement hour* of Day 0.

Day-Ahead Market Generator Offer Guarantee for Non-Pseudo Units

Formulations

Variant #1

4.4.3 If a *GOG-eligible resource* not associated with a *pseudo-unit* meets any of the following conditions:

4.4.3.1 The *GOG-eligible resource* has:

- a. a *day-ahead operational schedule* to start in Day 0 to meet a *day-ahead operational commitment* without any preceding *day-ahead*

operational commitment, pre-dispatch operation commitment, or reliability commitment; or

- b. a day-ahead operational schedule with a preceding advanced pre-dispatch operational commitment or reliability commitment that extends less than the resource's minimum generation block run-time plus its minimum generation block down-time,

the day-ahead market generator offer guarantee settlement amount is calculated as follows for delivery point `m`:

$$DAM_GOG_k^m = \text{Max}[0, DAM_GOG_COMP1_k^m + DAM_GOG_COMP2_k^m + DAM_GOG_COMP4_{k,h}^m - DAM_GOG_COMP5_k^m]$$

Where:

- a. $DAM_GOG_COMP1_k^m$, $DAM_GOG_COMP2_k^m$, $DAM_GOG_COMP4_{k,h}^m$ and $DAM_GOG_COMP5_k^m$ are calculated in accordance with sections 4.4.6, 4.4.7, 4.4.9, and 4.4.11, respectively.

Variant #2

- 4.4.4 If a GOG-eligible resource not associated with a pseudo-unit (1) has a pre-dispatch operational commitment or a day-ahead operational commitment in the last settlement hour of Day -1 at the time the day-ahead market calculation engine determined the day-ahead schedule for Day 0; and (2) is scheduled to complete its minimum generation block run-time in Day 0, the day-ahead market generator offer guarantee settlement amount is calculated as follows for a delivery point `m`:

$$DAM_GOG_k^m = \text{Max}[0, DAM_GOG_COMP1_k^m + DAM_GOG_COMP2_k^m - DAM_GOG_COMP3_k^m - DAM_GOG_COMP5_k^m]$$

Where:

- a. $DAM_GOG_COMP1_k^m$, $DAM_GOG_COMP2_k^m$, $DAM_GOG_COMP3_k^m$ and $DAM_GOG_COMP5_k^m$ are calculated in accordance with sections 4.4.6, 4.4.7, 4.4.8, and 4.4.11, respectively.

Variant #3

- 4.4.5 If a GOG-eligible resource not associated with a pseudo-unit meets any of the following conditions:

- 4.4.5.1 such resource (1) has a day-ahead schedule in the first settlement hour of Day 0; (2) has either a day-ahead operational commitment or pre-dispatch operational commitment in the last settlement hour of Day -1 at the time the day-ahead market calculation engine

determines the *day-ahead schedule* for Day 0; and (3) completed its *minimum generation block run-time* in the last *settlement hour* of Day -1;

4.4.5.2 such *resource* has a *day-ahead operational schedule* that is not eligible under section 4.4.4 and which immediately follows a *day-ahead operational commitment* that is eligible under section 4.4.4; or

4.4.5.3 such *resource* has a *day-ahead operational commitment* in Day 0 that immediately follows a *pre-dispatch operational commitment* that:

a. extends for at least as long as the *resource's minimum generation block run-time* plus its *minimum generation block down-time*; or

b. follows a prior *day-ahead operational commitment*,

the *day-ahead market generator offer guarantee settlement amount* is calculated as follows for a *delivery point* 'm':

$$DAM_GOG_k^m = \text{Max}[0, DAM_GOG_COMP1_k^m + DAM_GOG_COMP2_k^m - DAM_GOG_COMP5_k^m]$$

Where:

- a. $DAM_GOG_COMP1_k^m$, $DAM_GOG_COMP2_k^m$ and $DAM_GOG_COMP5_k^m$ are calculated in accordance with sections 4.4.6, 4.4.7, and 4.4.11, respectively.

Components

Component #1 – applicable to Variant # 1, 2 and 3

4.4.6 In determining the *day-ahead market generator offer guarantee settlement amount* for the *GOG-eligible resource* not associated with a *pseudo-unit*, the *IESO* shall calculate $DAM_GOG_COMP1_k^m$ as follows:

$$DAM_GOG_COMP1_k^m = \sum^H [-1 \times (OP(DAM_LMP_h^m, DAM_QSI_{k,h}^m, DAM_BE_{k,h}^m)) + (DAM_BE_SNL_{k,h}^m \times N_{k,h}^m / 12)] - \sum^{RH} [DAM_LMP_h^m \times DAM_QSI_{k,h}^m]$$

Where:

- a. 'H' is the set of *settlement hours* within the relevant *day-ahead commitment period*,



- b. 'RH' is the set of contiguous settlement hours with day-ahead schedules for the ramp-up period;
- c. ' $N_{k,h}^m$ ' is the number of metering intervals in settlement hour 'h' during which delivery point 'm' for market participant 'k' was synchronized and injecting energy into the IESO-controlled grid; and
- d. If the combustion turbine or steam turbine is not operating as a pseudo-unit and has a binding combined cycle physical unit constraint, then $DAM_QSI_{k,h}^m$ will be replaced with $DAM_EOP_{k,h}^m$ for those settlement hours in which they have such constraint.

Component #2 – applicable to Variant # 1, 2 and 3

4.4.7 In determining the day-ahead market generator offer guarantee settlement amount for the GOG-eligible resource not associated with a pseudo-unit, the IESO shall calculate $DAM_GOG_COMP2_k^m$ as follows:

$$DAM_GOG_COMP2_k^m = -1 \times \sum_R^H [OP(DAM_PROR_{r,h}^m, DAM_QSOR_{r,k,h}^m, DAM_BOR_{r,k,h}^m)]$$

Where:

- a. 'H' is the set of settlement hours within the relevant day-ahead commitment period.

Component #3 – applicable to Variant # 2

4.4.8 In determining the day-ahead market generator offer guarantee settlement amount for the GOG-eligible resource not associated with a pseudo-unit, the IESO shall calculate $DAM_GOG_COMP3_k^m$ as follows:

$$DAM_GOG_COMP3_k^m = \sum^H [(-1) \times (OP(DAM_LMP_h^m, MLP_k^m, DAM_BE_{k,h}^m)) + DAM_BE_SNL_{k,h}^m \times \frac{N_{k,h}^m}{12}]$$

Where:

- a. 'H' is the set of settlement hours within the day-ahead commitment period that are required to complete the resource's minimum generation block run-time that began in Day -1;
- b. ' MLP_k^m ' is the minimum loading point of the GOG-eligible resource for Day -1 for market participant 'k' for delivery point 'm'; and

- c. $N_{k,h}^m$ is the number of *metering intervals* in *settlement hour 'h'* during which *delivery point 'm'* for *market participant 'k'* was synchronized and injecting *energy* into the *IESO-controlled grid*.

Component #4 – applicable to Variant # 1

4.4.9 In determining the *day-ahead market generator offer guarantee settlement amount* for the *GOG-eligible resource* not associated with a *pseudo-unit*, the *IESO* shall calculate $DAM_GOG_COMP4_{k,h}^m$ in accordance with the following:

4.4.9.1 Subject to section 4.4.10, if the *GOG-eligible resource* synchronizes and injects *energy* into the *IESO-controlled grid* to complete its *day-ahead operational commitment*, the *GOG-eligible resource* completed its *minimum generation block run-time*, and:

- a. the *GOG-eligible resource* achieved its *minimum loading point* within the first six *metering intervals* of the first *settlement hour* of its *day-ahead operational commitment*, then:

$$DAM_GOG_COMP4_{k,h}^m = DAM_BE_SU_{k,h}^m ; \text{ or}$$

- b. the *GOG-eligible resource* achieved its *minimum loading point* after the first six *metering intervals* of the start of its *minimum generation block run-time* but before the 19th *metering interval* following the start of its *minimum generation block run-time*, then:

$$DAM_GOG_COMP4_{k,h}^m = DAM_BE_SU_{k,h}^m - (DAM_BE_SU_{k,h}^m \times N_INT / 12)$$

Where:

- a. 'N INT' is the number of *metering intervals* after the first six *metering intervals* that the *GOG-eligible resource* took to achieve its *minimum loading point*;

4.4.9.2 Otherwise,

$$DAM_GOG_COMP4_{k,h}^m = 0$$

4.4.10 If the sole reason that a *GOG-eligible resource* did not complete its *minimum generation block run-time* is because the *IESO* required, in order to maintain the *reliability* of the *IESO-controlled grid*, such *GOG-eligible resource* to de-synchronize from the *IESO-controlled grid* after the commencement of its *day-ahead operational commitment*, then the *GOG-eligible resource* is not required to complete its *minimum generation block run-time* in order for section 4.4.9.1 to apply.

Component #5 – applicable to Variant # 1, 2 and 3

4.4.11 In determining the *day-ahead market generator offer guarantee settlement amount* for the *GOG-eligible resource* not associated with a *pseudo-unit*, the *IESO* shall calculate $DAM_GOG_COMP5_k^m$ as follows:

$$DAM_GOG_COMP5_k^m = \sum^H DAM_MWP_{k,h}^m$$

Where:

- a. 'H' is the set of *settlement hours* within the relevant *day-ahead commitment period*.

Day-Ahead Market Generator Offer Guarantee – Combustion Turbine Associated with a Pseudo-Unit

Formulations

Variant #1

4.4.12 If the combustion turbine of a *GOG-eligible resource* associated with a *pseudo-unit* meets any of the following conditions:

4.4.12.1 The combustion turbine has:

- a. *A day-ahead operational schedule* to start in Day 0 to meet a *day-ahead operational commitment* without any preceding *day-ahead operational commitment, pre-dispatch operation commitment, or reliability commitment, or*
- b. *a day-ahead operational schedule* with a preceding *advanced pre-dispatch operational commitment* or *reliability commitment* that extends less than the *resource's minimum generation block run-time* plus its *minimum generation block down-time*,

the *day-ahead market generator offer guarantee settlement amount* is calculated as follows for combustion turbine *delivery point* 'c':

$$DAM_GOG_k^c = \text{Max}[0, DAM_GOG_COMP1_k^c + DAM_GOG_COMP2_k^c + DAM_GOG_COMP4_{k,h}^c - DAM_GOG_COMP5_k^c]$$

Where:

- a. $DAM_GOG_COMP1_k^c$, $DAM_GOG_COMP2_k^c$, $DAM_GOG_COMP4_{k,h}^c$ and $DAM_GOG_COMP5_k^c$ are calculated in accordance with sections 4.4.15, 4.4.16, 4.4.18 and 4.4.20, respectively.

Variant #2

4.4.13 If the combustion turbine of a *GOG-eligible resource* associated with a *pseudo-unit* has either a *day-ahead operational commitment* or *pre-dispatch operational commitment* for the last *settlement hour* of Day -1 and is scheduled to complete its *minimum generation block run-time* in the first *settlement hour* of Day 0, the *day-ahead market generator offer guarantee settlement amount* is calculated as follows for combustion turbine *delivery point`c`*:

$$DAM_GOG_k^c = \text{Max}[0, DAM_GOG_COMP1_k^c + DAM_GOG_COMP2_k^c - DAM_GOG_COMP3_k^c - DAM_GOG_COMP5_k^c]$$

Where:

- a. $DAM_GOG_COMP1_k^c$, $DAM_GOG_COMP2_k^c$, $DAM_GOG_COMP3_k^c$, and $DAM_GOG_COMP5_k^c$ are calculated in accordance with sections 4.4.15, 4.4.16, 4.4.17 and 4.4.20, respectively.

Variant #3

4.4.14 If the combustion turbine of a *GOG-eligible resource* associated with a *pseudo-unit* meets any of the following conditions:

- 4.4.14.1 such *resource* (1) has a *day-ahead schedule* in the first *settlement hour* of Day 0; (2) has either a *day-ahead operational commitment* or a *pre-dispatch operational commitment* for the last *settlement hour* of Day -1 at the time the *day-ahead market calculation engine* determines the *day-ahead schedule* for Day 0; and (3) has completed its *minimum generation block run-time* when the *day-ahead operational commitment* in the first *settlement hour* of Day 0 was scheduled;
- 4.4.14.2 has a *day-ahead operational schedule* that is not eligible under section 4.4.13 and which immediately follows a *day-ahead operational commitment* that is eligible under section 4.4.13; or
- 4.4.14.3 has a *day-ahead operational commitment* in Day 0 that immediately follows a *pre-dispatch operational commitment* that:
- extends for at least as long as the *resource's minimum generation block run-time* plus its *minimum generation block down-time*; or
 - follows a prior *day-ahead operational commitment*.

the day-ahead market generator offer guarantee settlement amount is calculated as follows for a *delivery point`m`*:

$$DAM_GOG_k^c = \text{Max}[0, DAM_GOG_COMP1_k^c + DAM_GOG_COMP2_k^c - DAM_GOG_COMP5_k^c]$$

Where:

- a. $DAM_GOG_COMP1_k^c$, $DAM_GOG_COMP2_k^c$, and $DAM_GOG_COMP5_k^c$ are calculated in accordance with sections 4.4.15, 4.4.16, and 4.4.20, respectively.

Components

Component #1 - applicable to Variant # 1, 2 and 3

4.4.15 In determining the *day-ahead market generator offer guarantee settlement amount* for the combustion turbine of a *GOG-eligible resource* associated with a *pseudo-unit*, the *IESO* shall calculate $DAM_GOG_COMP1_k^c$ as follows:

$$\begin{aligned} DAM_GOG_COMP1_k^c &= \sum^H \left[(-1) \times OP(DAM_LMP_h^c, DAM_QSI_{k,h}^c, DAM_DIPC_{k,h}^c) \right. \\ &\quad \left. + DAM_BE_SNL_{k,h}^p \times \frac{N_{k,h}^c}{12} \times (1 - ST_Portion_{k,d1}^p) \right] \\ &\quad - \sum^{RH} [DAM_LMP_h^c \times DAM_QSI_{k,h}^c] \end{aligned}$$

Where:

- a. 'H' is the set of *settlement hours* within the combustion turbine's relevant *day-ahead commitment period*;
- b. 'RH' is the set of contiguous *settlement hours* that the combustion turbine has a *day-ahead schedule* for the ramp-up period, scheduled greater than zero but less than the combustion turbine's *minimum loading point*;
- c. 'p' is the *pseudo-unit* associated with combustion turbine *delivery point 'c'*; and
- d. ' $N_{k,h}^c$ ' is the number of *metering intervals* in the *settlement hour 'h'* during which combustion turbine *delivery point 'c'* for *market participant 'k'* was synchronized and injecting *energy* into the *IESO-controlled grid*.

Component #2 - applicable to Variant # 1, 2 and 3

4.4.16 In determining the *day-ahead market generator offer guarantee settlement amount* for the combustion turbine of a *GOG-eligible resource* associated with a *pseudo-unit*, the *IESO* shall calculate $DAM_GOG_COMP2_k^c$ as follows:

$$\begin{aligned}
 &DAM_GOG_COMP2_k^c \\
 &= \sum^R \sum^H [(-1) \\
 &\quad \times OP(DAM_PROR_{r,h}^c, DAM_QSOR_{r,k,h}^c, DAM_OR_DIPC_{r,k,h}^c)]
 \end{aligned}$$

Where:

- a. 'H' is the set of *settlement hours* within the combustion turbine's relevant *day-ahead commitment period*.

Component #3 - applicable to Variant # 2

4.4.17 In determining the *day-ahead market generator offer guarantee settlement amount* for the combustion turbine of a *GOG-eligible resource* associated with a *pseudo-unit*, the IESO shall calculate $DAM_GOG_COMP3_k^c$ as follows:

$$\begin{aligned}
 &DAM_GOG_COMP3_k^c \\
 &= \sum^H \left[(-1) \times OP(DAM_LMP_h^c, MLP_k^c, DAM_DIPC_{k,h}^c) \right. \\
 &\quad \left. + DAM_BE_SNL_{k,h}^p \times \frac{N_{k,h}^c}{12} \times (1 - ST_Portion_{k,d1}^p) \right]
 \end{aligned}$$

Where:

- a. 'H' is the set of *settlement hours* within the *day-ahead commitment period* that are required to complete the associated *pseudo-unit's* *minimum generation block run-time* that began in Day -1;
- b. 'p' is the *pseudo-unit* associated with combustion turbine *delivery point* 'c';
- c. 'MLP_k^c' is the *minimum loading point* of the combustion turbine associated with combustion turbine *delivery point* 'c'; and
- d. 'N_{k,h}^c' is the number of *metering intervals* in the *settlement hour* 'h' during which combustion turbine *delivery point* 'c' for *market participant* 'k' was synchronized and injecting *energy* into the *IESO-controlled grid*.

Component #4 - applicable to Variant # 1

4.4.18 In determining the *day-ahead market generator offer guarantee settlement amount* for the combustion turbine of a *GOG-eligible resource* associated with a *pseudo-unit*, the IESO shall calculate $DAM_GOG_COMP4_{k,h}^c$ in accordance with the following:

- 4.4.18.1 Subject to section 4.4.19, if the combustion turbine synchronizes and injects *energy* into the *IESO-controlled grid* to complete its *day-ahead*

operational commitment, its day-ahead operational commitment does not immediately follow another day-ahead operational commitment, it completes its minimum generation block run-time, and:

- a. the combustion turbine achieved its minimum loading point within the first six metering intervals of the first settlement hour of its day-ahead operational commitment, then:

$$DAM_GOG_COMP4_{k,h}^c = DAM_BE_SU_{k,h}^p \times (1 - ST_Portion_{k,d1}^p); \text{ or}$$

- b. the combustion turbine achieved its minimum loading point after the first six metering intervals of the start of its day-ahead operational commitment but before the 19th metering interval following the start of its day-ahead operational commitment, then:

$$DAM_GOG_COMP4_{k,h}^c = DAM_BE_SU_{k,h}^p \times \left(1 - \frac{N_INT}{12}\right) \times (1 - ST_Portion_{k,d1}^p)$$

Where:

- i. 'N INT' is the number of metering intervals after the first six metering intervals that the combustion turbine took to achieve minimum loading point.

4.4.18.2 Otherwise,

$$DAM_GOG_COMP4_{k,h}^c = 0$$

4.4.19 If the sole reason that the combustion turbine did not complete its minimum generation block run-time is because the IESO dispatched, in order to maintain the reliability of the IESO-controlled grid, such combustion turbine after the commencement of its day-ahead operational commitment, then the combustion turbine is not required to complete its minimum generation block run-time in order for section 4.4.18.1 to apply.

Component #5 - applicable to Variant # 1, 2 and 3

4.4.20 In determining the day-ahead market generator offer guarantee settlement amount for the combustion turbine of a GOG-eligible resource associated with a pseudo-unit, the IESO shall calculate $DAM_GOG_COMP5_k^c$ as follows:

$$DAM_GOG_COMP5_k^c = \sum^H DAM_MWP_{k,h}^c$$

Where:

- a. 'H' is the set of settlement hours within the combustion turbine's relevant day-ahead commitment period.

Day-Ahead Market Generator Offer Guarantee – Steam Turbine Associated with a Pseudo-Unit

Formulation

4.4.21 For a *delivery point's* for a steam turbine associated with a *GOG-eligible resource* associated with a *pseudo-unit*, the *day-ahead market generator offer guarantee settlement amount* is calculated as follows:

$$DAM_GOG_k^s = \text{Max}[0, DAM_GOG_COMP1_k^s + DAM_GOG_COMP2_k^s - DAM_GOG_COMP3_k^s + DAM_GOG_COMP4_{k,h}^s - DAM_GOG_COMP5_k^s]$$

Where:

- $DAM_GOG_COMP1_k^s$, $DAM_GOG_COMP2_k^s$, $DAM_GOG_COMP3_{k,h}^s$, $DAM_GOG_COMP4_{k,h}^s$ and $DAM_GOG_COMP5_k^s$ are calculated in accordance with sections 4.4.22, 4.4.23, 4.4.24, 4.4.25, and 4.4.26, respectively.

Components

Component #1

4.4.22 In determining the *day-ahead market generator offer guarantee settlement amount* for the steam turbine of a *GOG-eligible resource* associated with a *pseudo-unit*, the *IESO* shall calculate $DAM_GOG_COMP1_k^s$ as follows:

$$\begin{aligned} DAM_GOG_COMP1_k^s &= \sum_{h \in H} \left[(-1) \times OP(DAM_LMP_h^s, DAM_DIGQ_{k,h}^s, DAM_DIPC_{k,h}^s) \right. \\ &\quad \left. + \sum_{p=1}^M \left(DAM_BE_SNL_{k,h}^p \times \frac{N_{k,h}^p}{12} \times ST_Portion_{k,d1}^p \right) \right] \\ &\quad - \sum_{h \in RH} [DAM_LMP_h^s \times DAM_QSI_{k,h}^s] \end{aligned}$$

Where:

- 'H' is the set of all *settlement hours* within the steam turbine's *day-ahead commitment period* when at least one of the *pseudo-units* associated with the steam turbine has a *day-ahead schedule* greater than or equal to its respective *pseudo-unit's minimum loading point*;
- 'M' is the set of all *pseudo-units* 'p' associated with steam turbine *delivery point's* that have a *day-ahead schedule* greater than or equal to their respective *minimum loading point* in *settlement hour* 'h';

- c. 'RH' is the set of all *settlement hours* in the steam turbine's *day-ahead operational commitment* when all of the *pseudo-units* associated with the steam turbine are scheduled less than their *minimum loading point*; and
- d. ' $N_{k,h}^p$ ' is the number of *metering intervals* in the *settlement hour* 'h' during which the combustion turbine associated with *pseudo-unit* 'p' for *market participant* 'k' was synchronized and injecting *energy* into the *IESO-controlled grid*.

Component #2

4.4.23 In determining the *day-ahead market generator offer guarantee settlement amount* for the steam turbine of a *GOG-eligible resource* associated with a *pseudo-unit*, the *IESO* shall calculate $DAM_GOG_COMP2_k^s$ as follows:

$$DAM_GOG_COMP2_k^s = \sum^R \sum^H [(-1) \times OP(DAM_PROR_{r,h}^s, DAM_QSOR_{r,k,h}^s, DAM_OR_DIPC_{r,k,h}^s)]$$

Where:

- a. 'H' is the set of all *settlement hours* within the steam turbine's *day-ahead commitment period* when at least one of the *pseudo-units* associated with the steam turbine has a *day-ahead schedule* greater than or equal to its respective *pseudo-unit's minimum loading point*.

Component #3

4.4.24 In determining the *day-ahead market generator offer guarantee settlement amount* for the steam turbine of a *GOG-eligible resource* associated with a *pseudo-unit*, the *IESO* shall calculate $DAM_GOG_COMP3_k^s$ as follows:

$$DAM_GOG_COMP3_k^s = \sum^V \sum^{MHR_p} \left[(-1) \times OP(DAM_LMP_h^s, MLP_k^s, DAM_DIPC_{k,h}^s) + DAM_BE_SNL_{k,h}^p \times \frac{N_{k,h}^p}{12} \times ST_Portion_{k,d1}^p \right]$$

Where:

- a. 'V' is the set of all *pseudo-units* 'p' associated with steam turbine *delivery point's* whose associated combustion turbine has a variant #2 (section 4.4.13) *day-ahead operational commitment* that overlaps with the steam turbine *day-ahead operational commitment*;

- b. 'MHR_p is the set of *settlement hours* within the *day-ahead commitment period* that are required to complete *minimum generation block run-time* that began in Day -1 for *pseudo-unit* 'p' associated with the steam turbine;
- c. 'MLP_k^s is the *minimum loading point* of steam turbine, associated with *pseudo-unit* 'p', for *market participant* 'k'; and
- d. $\text{'N}_{k,h}^p$ is the number of *metering intervals* in the *settlement hour* 'h' during which the combustion turbine associated with *pseudo-unit* 'p' for *market participant* 'k' was synchronized and injecting energy into the *IESO-controlled grid*.

Component #4

4.4.25 In determining the *day-ahead market generator offer guarantee settlement amount* for the steam turbine of a *GOG-eligible resource* associated with a *pseudo-unit*, the IESO shall calculate $\text{DAM_GOG_COMP4}_{k,h}^s$ as follows:

$$\text{DAM_GOG_COMP4}_{k,h}^s = \sum_{c=1}^C \sum_{x=1}^{X_c} \left[\text{DAM_GOG_COMP4}_{k,x}^c \times \frac{\text{ST_Portion}_{k,d1}^p}{(1 - \text{ST_Portion}_{k,d1}^p)} \right]$$

Where:

- a. 'C' is the set of all combustion turbine *delivery points* 'c' associated with steam turbine *delivery point* 's'; and
- b. 'X_c' is the set of all *day-ahead commitment periods* 'x' for combustion turbine *delivery point* 'c' that are entitled to a *day-ahead market generator offer guarantee settlement amount* pursuant to section 4.4.12 (variant #1) that overlap with the steam turbine's *day-ahead commitment period*.

Component #5

4.4.26 In determining the *day-ahead market generator offer guarantee settlement amount* for the steam turbine of a *GOG-eligible resource* associated with a *pseudo-unit*, the IESO shall calculate DAM_GOG_COMP5_k^s as follows:

$$\text{DAM_GOG_COMP5}_k^s = \sum^H \text{DAM_MWP}_{k,h}^s$$

Where:

- a. 'H' is the set of all *settlement hours* within the steam turbine's *day-ahead commitment period* when at least one of the *pseudo-units* associated with

steam turbine *delivery point*'s' has a *day-ahead schedule* greater than or equal to its respective *minimum loading point*.

4.5 Real-Time Generator Offer Guarantee

General

4.5.1 Subject to section 4.5.2 and the mitigation process described in section 5 and Appendix 9.4, the real-time *generator offer guarantee settlement amount* for *market participant*'k' ("RT_GOG_k") shall be calculated for each *settlement hour* within a *real-time commitment period* or a *real-time reliability commitment period* for each *GOG-eligible resource* and disbursed to the *market participant* for such *resource* in accordance with the operating profit function described in section 10 of Appendix 9.2, and this section 4.5.

4.5.1.1 In determining the real-time *generator offer guarantee settlement amount* in this section 4.5, the following expressions shall have the following meanings:

- a. "Day -1" refers to the day before Day 0;
- b. "Day 0" refers to the *dispatch day* for which the real-time *generator offer guarantee settlement amount* is being calculated;
- c. *Real-time commitment period* is the set of contiguous *settlement hours* of a *resource* with *real-time schedules* in Day 0:
 - i. beginning with the first *settlement hour*:
 - a. of the *resource's pre-dispatch operational commitment* that does not have a corresponding *day-ahead schedule*; and
 - b. the *resource* has a *real-time schedule* for an amount equal to or greater than its *minimum loading point*; and
 - ii. ending with the earlier of:
 - a. the end of the *resource's pre-dispatch operational commitment*;
 - b. the *settlement hour* prior to first *settlement hour* the *resource* has a *day-ahead schedule*; or

- c. the *settlement hour* in which the *resource* has a *real-time schedule* for an amount less than its *minimum loading point*;
 - d. *Real-time reliability commitment period* is the set of contiguous *settlement hours* of a *resource* with *real-time schedules* in Day 0:
 - i. beginning with the first *settlement hour*:
 - a. of the *resource's reliability commitment* that does not have a corresponding *day-ahead schedule*; and
 - b. the *resource* has a *real-time schedule* for an amount equal to or greater than its *minimum loading point*; and
 - ii. ending with the earlier of:
 - a. the end of the *resource's reliability commitment*;
 - b. the *settlement hour* prior to first *settlement hour* the *resource* has a *day-ahead schedule*; or
 - c. the *settlement hour* in which the *resource* has a *real-time schedule* for an amount less than its *minimum loading point*.
- 4.5.1.2 The real-time *generator offer* guarantee *settlement amount* will be determined utilizing one of three possible variants each of which consists of the following components, where applicable:
- a. Component 1 is any shortfall in payment over the *real-time commitment period* or *real-time reliability commitment period* for *energy* based upon the *resource's* operating profit for *energy* and its *speed no-load offers*, and is calculated in accordance with sections 4.5.6, 4.5.15, or 4.5.22, as applicable;
 - b. Component 2 is any shortfall in payment over the *real-time commitment period* or *real-time reliability commitment period* for *operating reserve* based upon the *resource's* operating profit for *operating reserve*, and is calculated in accordance with sections 4.5.7, 4.5.16, or 4.5.23, as applicable;
 - c. Component 3 is the amount calculated by Component 1 up to the *minimum loading point* for the *settlement hours* of *minimum generation block run-time* scheduled over midnight into Day 0 and is calculated in accordance with sections 4.5.8, 4.5.17, or 4.5.24, as applicable;

- d. Component 4 is any as-offered *start-up costs* to bring an offline *GOG-eligible resource* through its specific start-up procedures to meet its *pre-dispatch operational commitment*, including synchronization and ramp-up to *minimum loading point*, and is calculated in accordance with sections 4.5.9, 4.5.18, or 4.5.25, as applicable; and
- e. Component 5 is any real-time make-whole payment *settlement amount* that was received for any *settlement hour* within the relevant *real-time commitment period* or *real-time reliability commitment period* and is calculated in accordance with sections 4.5.11, 4.5.20, or 4.5.26, as applicable.

4.5.2 Notwithstanding section 4.5.1, a *market participant* shall be ineligible to receive a real-time *generator offer guarantee settlement amount* in respect of a *GOG-eligible resource* for:

- a. any *metering intervals* where it has a *real-time schedule* less than its *minimum loading point* to ramp offline; or
- b. for a *settlement hour* where:
 - i. the *resource* has committed its capacity to an external *control area* and an external *control area operator* has called a *called capacity export*:
 - a. prior to the *resource* receiving a *pre-dispatch operational commitment*; or
 - b. after the *resource* receives a *pre-dispatch operational commitment* and the *IESO* restricts other transactions on *interconnected systems* in accordance with MR Ch.5 ss.2.3 and 5.7, while maintaining the *called capacity export* transaction;
 - ii. the *resource* received a *real-time schedule* to synchronize to the *IESO-controlled grid* and inject *energy* in an amount equal to or greater than its *minimum loading point* for its *minimum generation block run time* or in advance of a *day-ahead market operational commitment*, *pre-dispatch operational commitment*, or *reliability commitment*, on request from the *market participant*, to prevent endangering the safety of any person, equipment damage, or violation of any *applicable law*;
 - iii. the *resource* was *dispatched* to continue injecting *energy* in an amount equal to or greater than its *minimum loading point* following

an existing day-ahead market operational commitment, pre-dispatch operational commitment, on request from the market participant, to prevent endangering the safety of any person, equipment damage, or violation of any applicable law, unless:

- a. such settlement hour is economically scheduled in the latest pre-dispatch schedule issued at the time of the start-up notice; and
- b. the constraint resulting from such request is not binding in the real-time market; or
- iv. the steam turbine where the pseudo-unit received a pre-dispatch operational commitment while operating in combined cycle-mode but, due to a failure or outage at the steam turbine, operates in single cycle mode.

Real-Time Generator Offer Guarantee for Non-Pseudo Units

Formulations

Variant #1

4.5.3 If a GOG-eligible resource not associated with a pseudo-unit:

- a. injects into the IESO-controlled grid in Day 0 to meet a pre-dispatch operational commitment; and
- b. such pre-dispatch operational commitment does not immediately follow a day-ahead operational commitment or reliability commitment,

the real-time generator offer guarantee settlement amount is calculated as follows for delivery point 'm':

$$RT_GOG_k^m = \text{Max}[0, RT_GOG_COMP1_k^m + RT_GOG_COMP2_k^m + RT_GOG_COMP4_{k,h}^m - RT_GOG_COMP5_{k,h}^m]$$

Where:

- a. $RT_GOG_COMP1_{k,h}^m$, $RT_GOG_COMP2_k^m$, $RT_GOG_COMP4_{k,h}^m$ and $RT_GOG_COMP5_{k,h}^m$ are calculated in accordance with sections 4.5.6, 4.5.7, 4.5.9 and 4.5.11, respectively.

Variant #2

4.5.4 If a GOG-eligible resource not associated with a pseudo-unit has a pre-dispatch operational commitment in the first settlement hour of Day 0 where such pre-dispatch operational commitment requires the resource to complete its minimum

generation block run-time that began in Day -1, the real-time generator offer guarantee settlement amount is calculated as follows for a delivery point 'm' for the settlement hours of the pre-dispatch operational commitment required to complete its minimum generation block run-time:

$$RT_GOG_k^m = \text{Max}[0, RT_GOG_COMP1_k^m + RT_GOG_COMP2_k^m - RT_GOG_COMP3_{k,h}^m - RT_GOG_COMP5_{k,h}^m]$$

Where:

- a. $RT_GOG_COMP1_{k,h}^m$, $RT_GOG_COMP2_k^m$, $RT_GOG_COMP3_{k,h}^m$, and $RT_GOG_COMP5_{k,h}^m$ are calculated in accordance with sections 4.5.6, 4.5.7, 4.5.8, and 4.5.11, respectively.

Variant #3

4.5.5 If a GOG-eligible resource not associated with a pseudo-unit:

- a. has a pre-dispatch operational commitment in the first settlement hour of Day 0 where such pre-dispatch operational commitment requires the resource to operate continuously from Day -1 after completing its minimum generation block-run time in Day -1;
- b. has a pre-dispatch operational commitment that is not eligible under section 4.5.4 and which immediately follows a pre-dispatch operational commitment that is eligible under section 4.5.4; or
- c. such pre-dispatch operational commitment immediately follows a day-ahead operational schedule or reliability commitment,

the real-time generator offer guarantee settlement amount is calculated as follows for delivery point 'm' for the settlement hours of the pre-dispatch operational commitment following the completion of its minimum generation block run-time:

$$RT_GOG_k^m = \text{Max}[0, RT_GOG_COMP1_k^m + RT_GOG_COMP2_k^m - RT_GOG_COMP5_{k,h}^m]$$

Where:

- a. $RT_GOG_COMP1_{k,h}^m$, $RT_GOG_COMP2_k^m$, and $RT_GOG_COMP5_{k,h}^m$ are calculated in accordance with sections 4.5.6, 4.5.7, and 4.5.11, respectively.

Components

Component #1 – applicable to Variant # 1, 2 and 3

4.5.6 In determining the real-time *generator offer guarantee settlement amount* for the *GOG-eligible resource* not associated with a *pseudo-unit*, the *IESO* shall calculate $RT_GOG_COMP1_{k,h}^m$ as follows:

$$\begin{aligned}
 RT_GOG_COMP1_k^m &= \sum^{T1} \left[(-1) \right. \\
 &\quad \times \text{Max} \left(OP(RT_LMP_h^{m,t}, RT_QSI_{k,h}^{m,t}, BE_{k,h}^{m,t}), OP(RT_LMP_h^{m,t}, AQEI_{k,h}^{m,t}, BE_{k,h}^{m,t}) \right) \\
 &\quad \left. + \frac{PD_BE_SNL_{k,h}^m}{12} \right] - \sum^{T0} [RT_LMP_h^{m,t} \times AQEI_{k,h}^{m,t}] \\
 &\quad + \sum^{RH} [DAM_LMP_h^m \times DAM_QSI_{k,h}^m / 12]
 \end{aligned}$$

Where:

- 'T1' is the set of contiguous metering intervals 't' within the real-time commitment period or the real-time reliability commitment period, as the case may be.
- 'T0' is the set of all metering intervals between the time when the resource is synchronized and injecting energy into the IESO-controlled grid and the time when the resource achieves its minimum loading point.
- 'RH' is the set of contiguous settlement hours 'h' with day-ahead schedules for the ramp-up period in the day-ahead market that do not overlap with a pre-dispatch operational commitment.
- If the combustion turbine or steam turbine is not operating as a pseudo-unit and has a binding combined cycle physical unit constraint, then $RT_QSI_{k,h}^{m,t}$ will be replaced with $RT_LC_EOP_{k,h}^{m,t}$ for those metering intervals in which they have such constraint.

Component #2 - applicable to Variant # 1, 2 and 3

4.5.7 In determining the real-time *generator offer guarantee settlement amount* for the *GOG-eligible resource* not associated with a *pseudo-unit*, the *IESO* shall calculate $RT_GOG_COMP2_{k,h}^m$ as follows:

$$RT_GOG_COMP2_k^m = (-1) \times \sum_R^{T1} OP(RT_PROR_{r,h}^{m,t}, RT_QSOR_{r,k,h}^{m,t}, BOR_{r,k,h}^{m,t})$$

Where:

- a. 'T1' is the set of contiguous *metering intervals* 't' within the *real-time commitment period* or the *real-time reliability commitment period*, as the case may be.

Component #3 - applicable to Variant # 2

- 4.5.8 In determining the real-time *generator offer guarantee settlement amount* for the *GOG-eligible resource* not associated with a *pseudo-unit*, the *IESO* shall calculate $RT_GOG_COMP3_{k,h}^m$ as follows:

$$RT_GOG_COMP3_k^m = \sum^{T2} [(-1) \times (OP(RT_LMP_h^{m,t}, MLP_k^m, BE_{k,h}^{m,t})) + \frac{PD_BE_SNL_{k,h}^m}{12}]$$

Where:

- a. 'T2' is the set of contiguous *metering intervals* 't' beginning with the first *metering interval* of Day 0 and ending with the *metering interval* in Day 0 in which the *resource* completes its *minimum generation block run-time* that began in Day -1; and
- b. 'MLP_k^m' is the *minimum loading point* of the *resource* for Day 0 for *market participant* 'k' for *delivery point* 'm'.

Component #4 - applicable to Variant # 1

- 4.5.9 In determining the real-time *generator offer guarantee settlement amount* for the *GOG-eligible resource* not associated with a *pseudo-unit*, the *IESO* shall calculate $RT_GOG_COMP4_{k,h}^m$ in accordance with the following:

- a. If the *resource* achieved its *minimum loading point* within the first six *metering intervals* of the start of its *minimum generation block run-time*, then

$$RT_GOG_COMP4_k^m = RT_GOG_SU_{k,h}^m$$

- b. If the *resource* achieved its *minimum loading point* after the first six *metering intervals* of the start of its *minimum generation block run-time* but before the 19th *metering interval* following the start of its *minimum generation block run-time*, then

$$RT_GOG_COMP4_k^m = RT_GOG_SU_{k,h}^m - (RT_GOG_SU_{k,h}^m \times N_INT / 12)$$

Where:

- i. 'N INT' is the number of *metering intervals* after the first six *metering intervals* that the *resource* took to achieve its *minimum loading point*.

c. Otherwise,

$$RT_GOG_COMP4_k^m = 0$$

Where:

a. if the resource has either (a) a stand-alone pre-dispatch operational commitment; or (b) an advanced pre-dispatch operational commitment, that extends for longer than or equal to the resource's minimum generation block run-time plus its minimum generation block down-time for the hot thermal state, then:

$$RT_GOG_SU_{k,h}^m = PD_BE_SU_{k,h}^m$$

b. if the resource receives an advanced pre-dispatch operational commitment that extends for a period that is less than the resource's minimum generation block run-time plus its minimum generation block down-time for the hot thermal state, then:

$$RT_GOG_SU_{k,h}^m = \text{Max}(0, PD_BE_SU_{k,h}^m - DAM_BE_SU_{k,h}^m)$$

Where:

i. notwithstanding section 5, DAM BE SU_{k,h}^m shall be equal to the EMFC DAM BE SU_{k,h}^m exclusively when the EMFC settlement amount, as defined in section 5.1.2.2, is the applicable settlement amount for the day-ahead market generator offer guarantee settlement amount for such resource.

c. Otherwise,

$$RT_GOG_SU_{k,h}^m = 0$$

4.5.10 If the sole reason that a resource did not complete its minimum generation block run-time is because the IESO required, in order to maintain the reliability of the IESO-controlled grid, such resource to de-synchronize from the IESO-controlled grid after the commencement of its pre-dispatch operational commitment, then the resource is not required to complete its minimum generation block run-time in order for section 4.5.9(a) to apply.

Component #5 – applicable to Variant # 1, 2 and 3

4.5.11 In determining the real-time generator offer guarantee settlement amount for the GOG-eligible resource not associated with a pseudo-unit, the IESO shall calculate RT_GOG_COMP5_{k,h}^m as follows:

$$RT_GOG_COMP5_k^m = \sum^{T1} RT_MWP_{k,h}^m$$

Where:

- a. 'T1' is the set of contiguous *metering intervals 't'* within the *real-time commitment period* or the *real-time reliability commitment period*, as the case may be.

Real-Time Generator Offer Guarantee – Combustion Turbine Associated with a Pseudo-Unit

Formulations

Variant #1

4.5.12 If the combustion turbine of a GOG-eligible resource associated with a pseudo-unit:

- a. injects into the IESO-controlled grid in Day 0 to meet a pre-dispatch operational commitment; and
- b. such pre-dispatch operational commitment does not immediately follow a day-ahead operational commitment or reliability commitment,

the real-time generator offer guarantee settlement amount is calculated as follows for combustion turbine delivery point 'c':

$$RT_GOG_k^c = \text{Max}[0, RT_GOG_COMP1_k^c + RT_GOG_COMP2_k^c + RT_GOG_COMP4_k^c - RT_GOG_COMP5_k^c]$$

Where:

- i. $RT_GOG_COMP1_k^c$, $RT_GOG_COMP2_k^c$, $RT_GOG_COMP4_k^c$ and $RT_GOG_COMP5_k^c$ are calculated in accordance with sections 4.5.15, 4.5.16, 4.5.18, and 4.5.20, respectively.

Variant #2

4.5.13 If the combustion turbine of a GOG-eligible resource associated with a pseudo-unit has a pre-dispatch operational commitment in the first settlement hour of Day 0 where such pre-dispatch operational commitment requires the resource to complete its minimum generation block run-time that began in Day -1, the real-time generator offer guarantee settlement amount is calculated as follows for combustion turbine delivery point 'c' for the settlement hours of the pre-dispatch operational commitment required to complete its minimum generation block run-time:

$$RT_GOG_k^c = \text{Max}[0, RT_GOG_COMP1_k^c + RT_GOG_COMP2_k^c - RT_GOG_COMP3_k^c - RT_GOG_COMP5_k^c]$$

Where:

- a. $RT_GOG_COMP1_k^c$, $RT_GOG_COMP2_k^c$, $RT_GOG_COMP3_k^c$, and $RT_GOG_COMP5_k^c$ are calculated in accordance with sections 4.5.15, 4.5.16, 4.5.17, and 4.5.20, respectively.

Variant #3

4.5.14 If the combustion turbine of a *GOG-eligible resource* associated with a *pseudo-unit*:

- a. has a *pre-dispatch operational commitment* in the first *settlement hour* of *Day 0* where such *pre-dispatch operational commitment* requires the *resource* to operate continuously from *Day -1* after completing its *minimum generation block-run time* in *Day -1*; or
- b. such *pre-dispatch operational commitment* immediately follows a *day-ahead operational schedule* or *reliability commitment*.

the real-time *generator offer guarantee settlement amount* is calculated as follows for combustion turbine *delivery point`c`* for the *settlement hours* of the *pre-dispatch operational commitment* following the completion of its *minimum generation block run-time*:

$$RT_GOG_k^c = \text{Max}[0, RT_GOG_COMP1_k^c + RT_GOG_COMP2_k^c - RT_GOG_COMP5_k^c]$$

Where:

- a. $RT_GOG_COMP1_k^c$, $RT_GOG_COMP2_k^c$, and $RT_GOG_COMP5_k^c$ are calculated in accordance with sections 4.5.15, 4.5.16, and 4.5.20, respectively.

Components

Component #1 - applicable to Variant # 1, 2 and 3

4.5.15 In determining the real-time *generator offer guarantee settlement amount* for a combustion turbine, the *IESO* shall calculate $RT_GOG_COMP1_k^c$ as follows:

$$\begin{aligned}
& RT_GOG_COMP1_k^c \\
&= \sum^{T1} \left[(-1) \right. \\
&\times \text{Max} \left(OP(RT_LMP_h^{c,t}, RT_QSI_{k,h}^{c,t}, RT_CMT_DIPC_{k,h}^{c,t}), OP(RT_LMP_h^{c,t}, AQEI_{k,h}^{c,t}, RT_CMT_DIPC_{k,h}^{c,t}) \right) \\
&+ \frac{PD_BE_SNL_{k,h}^p}{12} \times (1 - ST_Portion_{k,d1}^p) \left. \right] - \sum^{T0} (RT_LMP_h^{c,t} \times AQEI_{k,h}^{c,t}) \\
&+ \sum^{RH} [DAM_LMP_h^c \times DAM_QSI_{k,h}^c / 12]
\end{aligned}$$

Where:

- 'T1' is the set of contiguous metering intervals 't' within the real-time commitment period or the real-time reliability commitment period, as the case may be, for the combustion turbine;
- 'p' is the pseudo-unit associated with combustion turbine delivery point 'c';
- 'T0' is the set of all metering intervals 't' between the time when the combustion turbine is synchronized and injecting energy into the IESO-controlled grid and the time when the combustion turbine achieves its minimum loading point;
- 'RH' is the set of contiguous settlement hours 'h' with day-ahead schedules for the ramp-up period in the day-ahead market that do not overlap with a pre-dispatch operational commitment; and
- Where the pseudo-unit associated with the combustion turbine received a pre-dispatch operational commitment while operating in combined cycle mode but, due to a failure or outage at the associated steam turbine, operates in single cycle mode, then the applicable $RT_CMT_DIPC_{k,h}^{c,t}$ shall be the one determined just prior to the failure or outage.

Component #2 - applicable to Variant # 1, 2 and 3

4.5.16 In determining the real-time generator offer guarantee settlement amount for a combustion turbine, the IESO shall calculate $RT_GOG_COMP2_k^c$ as follows:

$$RT_GOG_COMP2_k^c = \sum_R^{T1} \left[(-1) \times OP(RT_PROR_{r,h}^{c,t}, RT_QSOR_{r,k,h}^{c,t}, RT_OR_CMT_DIPC_{r,k,h}^{c,t}) \right]$$

Where:

- 'T1' is the set of contiguous metering intervals 't' within the real-time commitment period or the real-time reliability commitment period, as the case may be, for the combustion turbine.

Component #3 - applicable to for Variant # 2

4.5.17 In determining the real-time *generator offer guarantee settlement amount* for a combustion turbine, the IESO shall calculate $RT_GOG_COMP3_k^c$ as follows:

$$RT_GOG_COMP3_k^c = \sum^{T2} \left[(-1) \times \left(OP(RT_LMP_h^{c,t}, MLP_k^c, RT_CMT_DIPC_{k,h}^{c,t}) \right) + \frac{PD_BE_SNL_{k,h}^p}{12} \times (1 - ST_Portion_{k,d1}^p) \right]$$

Where:

- a. 'T2' is the set of contiguous *metering intervals* 't' beginning with the first *metering interval* of Day 0 and ending with the *metering interval* in Day 0 in which the *resource* completes its *minimum generation block run-time* that began in Day -1;
- b. MLP_k^c is the *minimum loading point* of the combustion turbine associated with combustion turbine *delivery point* 'c'; and
- c. 'p' is the *pseudo-unit* associated with combustion turbine *delivery point* 'c'.

Component #4 - applicable to Variant # 1

4.5.18 Subject to section 4.5.19, in determining the real-time *generator offer guarantee settlement amount* for a combustion turbine, the IESO shall calculate $RT_GOG_COMP4_k^c$ in accordance with the following:

- a. For a *pre-dispatch operational commitment* where the associated *pseudo-unit* has a *stand-alone pre-dispatch operational commitment* or where the associated *pseudo-unit* receives a *pre-dispatch operational commitment* in advance of an existing *day-ahead market operational commitment* by a period that is greater than or equal to the *resource's minimum generation block run-time* plus its *minimum generation block down-time* for the hot *thermal state*:
 - i. If the combustion turbine achieved its *minimum loading point* within the first six *metering intervals* of the start of the *pre-dispatch operational commitment*, then:

$$RT_GOG_COMP4_k^c = PD_BE_SU_{k,h}^p \times (1 - ST_Portion_{k,d1}^p)$$

- ii. If the combustion turbine achieved its *minimum loading point* after the first six *metering intervals* of the start of its *pre-dispatch*

operational commitment but before the 19th metering interval following the start of its pre-dispatch operational commitment, then:

$$RT_GOG_COMP4_k^c = PD_BE_SU_{k,h}^p \times (1 - ST_Portion_{k,d1}^p) \times \left(1 - \frac{N_INT_k^c}{12}\right)$$

Where:

a. 'N INT_k^c' is the number of metering intervals after the first six metering intervals that the combustion turbine took to achieve its minimum loading point.

iii. Otherwise,

$$RT_GOG_COMP4_k^c = 0$$

b. For a pre-dispatch operational commitment where the associated pseudo-unit has a pre-dispatch operational commitment in advance of an existing day-ahead market operational commitment by a period that is less than the resource's minimum generation block run-time plus its minimum generation block down-time for the hot thermal state, then:

i. If the combustion turbine achieved its minimum loading point within the first six metering intervals of the start of the pre-dispatch operational commitment, then:

$$RT_GOG_COMP4_k^c = \text{Max}(0, PD_BE_SU_{k,h}^p - DAM_BE_SU_{k,h}^p) \times (1 - ST_Portion_{k,d1}^p)$$

Where:

a. notwithstanding section 5, DAM BE SU_{k,h}^p shall be equal to the EMFC DAM BE SU_{k,h}^p exclusively when the EMFC settlement amount, as defined in section 5.1.2.2, is the applicable settlement amount for the day-ahead market generator offer guarantee settlement amount for such resource.

ii. If the combustion turbine achieved its minimum loading point after the first six metering intervals of the start of its pre-dispatch operational commitment but before the 19th metering interval following the start of its pre-dispatch operational commitment, then:

$$RT_GOG_COMP4_k^c = \text{Max}(0, PD_BE_SU_{k,h}^p - DAM_BE_SU_{k,h}^p) \times (1 - ST_Portion_{k,d1}^p) \times \left(1 - \frac{N_INT_k^c}{12}\right)$$

Where:

- a. ' $N_INT_k^c$ ' is the number of *metering intervals* after the first six *metering intervals* that the combustion turbine took to achieve its *minimum loading point*; and
- b. notwithstanding section 5, $DAM_BE_SU_{k,h}^p$ shall be equal to the $EMFC_DAM_BE_SU_{k,h}^p$ exclusively when the *EMFC settlement amount*, as defined in section 5.1.2.2, is the applicable *settlement amount* for the *day-ahead market generator offer guarantee settlement amount* for such resource.

iii. Otherwise,

$$RT_GOG_COMP4_k^c = 0$$

4.5.19 If the sole reason that the combustion turbine did not complete its *minimum generation block run-time* is because the *IESO* required, in order to maintain the *reliability* of the *IESO-controlled grid*, such combustion turbine to de-synchronize from the *IESO-controlled grid* after the commencement of its *pre-dispatch operational commitment*, then the combustion turbine is not required to complete its *minimum generation block run-time* in order for section 4.5.18(a) to apply.

Component #5 - applicable to Variant # 1, 2 and 3

4.5.20 In determining the real-time *generator offer guarantee settlement amount* for a combustion turbine, the *IESO* shall calculate $RT_GOG_COMP5_k^c$ as follows:

$$RT_GOG_COMP5_k^c = \sum^{T1} RT_MWP_{k,h}^c$$

Where:

- a. ' $T1$ ' is the set of contiguous *metering intervals* 't' within the *real-time commitment period* or the *real-time reliability commitment period*, as the case may be, for the combustion turbine.

Real-Time Generator Offer Guarantee – Steam Turbine Associated with a Pseudo-Unit

Formulation

4.5.21 For a *delivery point*'s' for a steam turbine associated with a *GOG-eligible resource* associated with a *pseudo-unit*, the real-time *generator offer guarantee settlement amount* is calculated as follows:

$$RT_GOG_k^s = \text{Max}[0, RT_GOG_COMP1_k^s + RT_GOG_COMP2_k^s - RT_GOG_COMP3_k^s + RT_GOG_COMP4_k^s - RT_GOG_COMP5_k^s]$$

Where:

- $RT_GOG_COMP1_k^s$, $RT_GOG_COMP2_k^s$, $RT_GOG_COMP3_k^s$, $RT_GOG_COMP4_k^s$ and $RT_GOG_COMP5_k^s$ are calculated in accordance with sections 4.5.22, 4.5.23, 4.5.24, 4.5.25, and 4.5.26, respectively.

Components

Component #1

4.5.22 In determining the real-time *generator offer guarantee settlement amount* for a steam turbine, the *IESO* shall calculate $RT_GOG_COMP1_k^s$ as follows:

$$\begin{aligned} RT_GOG_COMP1_k^s &= \sum^{T1} \left[(-1) \times OP(RT_LMP_h^{s,t}, RT_CMT_DIGQ_{k,h}^{s,t}, RT_CMT_DIPC_{k,h}^{s,t}) \right. \\ &+ \sum_{p=1}^N \left(\frac{PD_BE_SNL_{k,h}^p}{12} \times ST_Portion_{k,d1}^p \right) \\ &+ \sum_{p=1}^D \left(DAM_LMP_h^s \times \frac{[DAM_QSI_{k,h}^p \times (ST_Portion_{k,d1}^p)]}{12} \right) \left. \right] \\ &- \sum^{T0} (RT_LMP_h^{s,t} \times AQEI_{k,h}^{s,t}) \end{aligned}$$

Where:

- 'T1' is the set of all *metering intervals*'t' in the steam turbine's *real-time commitment period* where at least one of the associated *pseudo-units*' *real-time schedule* is greater than or equal to its *minimum loading point* in accordance with a *pre-dispatch operational commitment*;
- 'N' is the set of all *pseudo-units*'p' associated with steam turbine *delivery point*'s' that are eligible for a real-time *generator offer guarantee settlement amount* in *metering interval*'t' of *settlement hour*'h';

- c. 'D' is the set of all *pseudo-units* 'p' associated with steam turbine *delivery point*'s' that have: (i) a *pre-dispatch operational commitment* greater than its *minimum loading point in metering interval*'t'; (ii) an associated combustion turbine that is injecting *energy* into the *IESO-controlled grid* in an amount greater than or equal to its *minimum loading point in metering interval*'t'; and (iii) a *day-ahead schedule* less than its *minimum loading point in metering interval*'t'; and
- d. 'T0' is the set of all *metering intervals*'t' in the steam turbine's *real-time commitment period* when: (i) the steam turbine is injecting *energy* into the *IESO-controlled grid* in an amount that is less than its 1-on-1 *minimum loading point*; and (ii) none of the associated *pseudo-units* have a *day-ahead schedule*.

Component #2

4.5.23 In determining the real-time *generator offer guarantee settlement amount* for a steam turbine, the *IESO* shall calculate $RT_GOG_COMP2_k^s$ as follows:

$$RT_GOG_COMP2_k^s = \sum_R^{T1} [(-1) \times OP(RT_PROR_{r,h}^{s,t}, RT_OR_CMT_DIGQ_{r,k,h}^{s,t}, RT_OR_CMT_DIPC_{r,k,h}^{s,t})]$$

Where:

- a. 'T1' is the set of all *metering intervals*'t' in the steam turbine's *real-time commitment period* where at least one of the associated *pseudo-units* is greater than or equal to its *minimum loading point* in accordance with a *pre-dispatch operational commitment*.

Component #3

4.5.24 In determining the real-time *generator offer guarantee settlement amount* for a steam turbine, the *IESO* shall calculate $RT_GOG_COMP3_k^s$ as follows:

$$RT_GOG_COMP3_k^s = \sum^U \sum^{Tp} \left[(-1) \times \left(OP(RT_LMP_h^{s,t}, (MLP_k^p \times ST_Portion_{k,d1}^p), BE_{k,h}^{p,t}) \right) + \frac{PD_BE_SNL_{k,h}^p}{12} \times ST_Portion_{k,d1}^p \right]$$

Where:

- a. 'U' is the set of all *pseudo-units* 'p' associated with steam turbine *delivery point*'s' that have a *real-time schedule* in the first *settlement hour* of Day 0 to complete its *minimum generation block run-time* as part of a *pre-*

dispatch operational commitment that began in Day -1 and forms part of the steam turbine's real-time commitment period;

- b. ' T_p ' is the set of metering intervals 't' where: (i) the associated pseudo-unit had a real-time schedule in the first settlement hour of Day 0 to complete its minimum generation block run-time; and (ii) the combustion turbine associated with pseudo-unit 'p' actually injected energy into the IESO-controlled grid in an amount equal to or greater than its minimum loading point; and
- c. ' MLP_k^p ' is the minimum loading point of pseudo-unit 'p' for market participant 'k' for Day 0.

Component #4

4.5.25 In determining the real-time generator offer guarantee settlement amount for a steam turbine, the IESO shall calculate $RT_GOG_COMP4_k^s$ in accordance with the following:

$$RT_GOG_COMP4_k^s = \sum_{c=1}^C \sum_{x_c} \left[RT_GOG_COMP4_{k,x}^c \times \frac{ST_Portion_{k,d1}^p}{(1 - ST_Portion_{k,d1}^p)} \right]$$

Where:

- a. ' C ' is the set of all combustion turbine delivery points 'c' associated with steam turbine delivery point 's';
- b. $RT_GOG_COMP4_{k,x}^c$ is determined in accordance with section 4.5.18 for combustion turbine delivery point 'c' for market participant 'k' for pre-dispatch operational commitment 'x'; and
- c. ' X_c ' is the set of all pre-dispatch operational commitments 'x' that are classified as variant 1 and were incurred by combustion turbine 'c' during the steam turbine's real-time commitment period.

Component #5

4.5.26 In determining the real-time generator offer guarantee settlement amount for a steam turbine, the IESO shall calculate $RT_GOG_COMP5_k^s$ as follows:

$$RT_GOG_COMP5_k^s = \sum^{T1} RT_MWP_{k,h}^s$$

Where:

- a. 'T1' is the set of all *metering intervals* 't' in the steam turbine's *real-time commitment period* where at least one of the associated *pseudo-units* is greater than or equal to its *minimum loading point* in accordance with a *pre-dispatch operational commitment*.

4.44.6 Real-Time Ramp-Down Settlement AmountReal-Time Ramp-Down Settlement Amount

- 4.6.1 Subject to section 4.6.3 and to the mitigation process described in section 5 and Appendix 9.4, the real-time ramp-down settlement amount for market participant 'k' at delivery point 'm' ("RT RDSA_k^m") shall be calculated and disbursed to the market participant for a GOG-eligible resource not associated with a pseudo-unit for each instance where such resource injects energy into the IESO-controlled grid, receives a real-time schedule less than its minimum loading point, and desynchronizes from the IESO-controlled grid. The real-time ramp-down settlement amount shall be disbursed to such GOG-eligible resources in accordance with the eligibility and equations set out in this section 4.6, and the operating profit function described in section 10 of Appendix 9.2.
- 4.6.2 In calculating the real-time ramp-down settlement amount in accordance with sections 4.6.4 and 4.6.5, the following subscripts and superscripts shall have the following meaning unless otherwise specified:
- 4.6.2.1 'T' is the ramp-down period determined as the set of all metering intervals 't' beginning with the first metering interval that the GOG-eligible resource is scheduled in the real-time market less than its minimum loading point and ends with the first metering interval following the start of 'T' in which the real-time schedule is zero or in which there is no real-time schedule; and
- 4.6.2.2 BE_{k,h}^{m,t} shall be the matrix of 'n' price-quantity pairs offered by market participant 'k' to supply energy during the settlement hour 'h' determined in accordance with the applicable market manual, where price is adjusted by being multiplied by the ramp-down factor specified in the applicable market manual.
- 4.6.3 Notwithstanding section 4.6.1, a market participant shall be ineligible to receive a real-time ramp-down settlement amount where the GOG-eligible resource not associated with a pseudo-unit fails to achieve its minimum loading point in

accordance with its *real-time schedule* prior to de-synchronizing from the *IESO-controlled grid*.

- 4.6.4 For a *GOG-eligible resource* not associated with a *pseudo-unit* that receives a *real-time schedule* less than its *minimum loading point* during a period when the *GOG-eligible resource* has a *day-ahead schedule*, the *real-time ramp-down settlement amount* is calculated as follows:

$$RT_RDSA_k^m = \text{Max} \left(0, \sum^T \left[(-1) \times OP(DAM_LMP_h^m, AQEI_{k,h}^{m,t}, BE_{k,h}^{m,t}) - \text{Max} \left(0, (-1) \times OP(DAM_LMP_h^m, AQEI_{k,h}^{m,t}, DAM_BE_{k,h}^m) \right) \right] \right)$$

- 4.6.5 For a *GOG-eligible resource* not associated with a *pseudo-unit* that receives a *real-time schedule* less than its *minimum loading point* during a period when the *GOG-eligible resource* does not have a *day-ahead schedule*, the *real-time ramp-down settlement amount* is calculated as follows:

$$RT_RDSA_k^m = \text{Max} \left(0, \sum^T \left[(-1) \times OP(RT_LMP_h^{m,t}, AQEI_{k,h}^{m,t}, BE_{k,h}^{m,t}) \right] \right)$$

Pseudo Units – Combustion Turbine

- 4.6.6 Subject to section 4.6.8 and to the mitigation process described in section 5 and Appendix 9.4, the *real-time ramp-down settlement amount* for *market participant 'k'* at combustion turbine *delivery point 'c'* ("*RT_RDSA_{k,c}*") shall be calculated and disbursed to the *market participant* for a *GOG-eligible resource* associated with a *pseudo-unit* for each instance where such *resource* injects *energy* into the *IESO-controlled grid*, receives a *real-time schedule* less than its *minimum loading point*, and desynchronizes from the *IESO-controlled grid*. The *real-time ramp-down settlement amount* shall be disbursed to such *GOG-eligible resources* in accordance with the eligibility and equations set out in this section 4.6, and the operating profit function described in section 10 of Appendix 9.2.

- 4.6.7 In calculating the *real-time ramp-down settlement amount* in accordance with sections 4.6.9 and 4.6.10, the following subscripts and superscripts shall have the following meaning unless otherwise specified:

- 4.6.7.1 'T' is the *ramp-down period* determined as the set of all *metering intervals 't'* beginning with the first *metering interval* that the *GOG-eligible resource* is scheduled in the *real-time market* less than its *minimum loading point* and ends with the first *metering interval* following the start of 'T' in which the *real-time schedule* is zero or in which there is no *real-time schedule*; and

4.6.7.2 $RT_DIPC_{k,h}^{c,t}$ shall be the matrix of 'n' *price-quantity pairs* during the *settlement hour 'h'* determined in accordance with the applicable *market manual*, where the *price* is adjusted by being multiplied by the *ramp-down factor* specified in the applicable *market manual*.

4.6.8 Notwithstanding section 4.6.6, a *market participant* shall be ineligible to receive a *real-time ramp-down settlement amount*:

4.6.8.1 for a *settlement hour* where the *GOG-eligible resource* associated with a *pseudo-unit* received a *real-time schedule* for the duration of its *minimum generation block run-time*, on request from the *market participant*, to prevent endangering the safety of any person, *equipment damage*, or violation of any *applicable law*; or

4.6.8.2 where the *GOG-eligible resource* associated with a *pseudo-unit* fails to achieve its *minimum loading point* in accordance with its *real-time schedule* prior to de-synchronizing from the *IESO-controlled grid*.

4.6.9 For a *GOG-eligible resource* associated with a *pseudo-unit* that receives a *real-time schedule* less than its *minimum loading point* during a period when the *GOG-eligible resource* has a *day-ahead schedule*, the *real-time ramp-down settlement amount* is calculated as follows:

$$RT_RDSA_k^c = \text{Max} \left(0, \sum^T \left[(-1) \times OP(DAM_LMP_h^c, AQEI_{k,h}^{c,t}, RT_DIPC_{k,h}^{c,t}) - \text{Max} \left(0, (-1) \times OP(DAM_LMP_h^c, AQEI_{k,h}^{c,t}, DAM_DIPC_{k,h}^c) \right) \right] \right)$$

4.6.10 For a *GOG-eligible resource* associated with a *pseudo-unit* that receives a *real-time schedule* less than its *minimum loading point* during a period when the *GOG-eligible resource* does not have a *day-ahead schedule*, the *real-time ramp-down settlement amount* is calculated as follows:

$$RT_RDSA_k^c = \text{Max} \left(0, \sum^T \left[(-1) \times OP(RT_LMP_h^{c,t}, AQEI_{k,h}^{c,t}, RT_DIPC_{k,h}^{c,t}) \right] \right)$$

Pseudo Units – Steam Turbine

4.6.11 Subject to section 4.6.13 and to the mitigation process described in section 5 and Appendix 9.4, the *real-time ramp-down settlement amount* for *market participant 'k'* at steam turbine *delivery point 's'* (" $RT_RDSA_k^s$ ") shall be calculated and disbursed to the *market participant* for *GOG-eligible resource* associated with a *pseudo-unit* for each instance where such *resource* injects *energy* into the *IESO-controlled grid*, receives a *real-time schedule* less than its *1-on-1 minimum loading point*, and desynchronizes from the *IESO-controlled grid*. The *real-time ramp-down settlement amount* shall be disbursed to such *GOG-eligible resources* in accordance with the eligibility and equations set out in

this section 4.6, and the operating profit function described in section 10 of Appendix 9.2.

4.6.12 In calculating the real-time ramp-down *settlement amount* in accordance with sections 4.6.14 and 4.6.15, the following subscripts and superscripts shall have the following meaning unless otherwise specified:

4.6.12.1 'T' is the ramp-down period determined as the set of all *metering intervals* 't' beginning with the first *metering interval* that the *GOG-eligible resource* is scheduled in the *real-time market* less than its 1-on-1 *minimum loading point* and ends with the first *metering interval* following the start of 'T' in which the *real-time schedule* is zero or in which there is no *real-time schedule*; and

4.6.12.2 $RT_DIPC_{k,h}^{s,t}$ shall be the matrix of 'n' *price-quantity pairs*, during the *settlement hour* 'h' determined in accordance with the applicable *market manual*, where the *price* is adjusted by being multiplied by the ramp-down factor specified in the applicable *market manual*.

4.6.13 Notwithstanding section 4.6.11, a *market participant* shall be ineligible to receive a real-time ramp-down *settlement amount*:

4.6.13.1 for a *settlement hour* where the *GOG-eligible resource* associated with a *pseudo-unit* received a *real-time schedule* for the duration of its *minimum generation block-run time*, on request from the *market participant*, to prevent endangering the safety of any person, equipment damage, or violation of any *applicable law*; or

4.6.13.2 where the *GOG-eligible resource* associated with a *pseudo-unit* fails to achieve its *minimum loading point* in accordance with its *real-time schedule* prior to de-synchronizing from the *IESO-controlled grid*.

4.6.14 For a *GOG-eligible resource* associated with a *pseudo-unit* that receives a *real-time schedule* less than its 1-on-1 *minimum loading point* during a period when the *GOG-eligible resource* has a *day-ahead schedule*, the real-time ramp-down *settlement amount* is calculated as follows:

$$RT_RDSA_k^s = \text{Max} \left(0, \sum^T \left[(-1) \times OP(DAM_LMP_h^s, AQEI_{k,h}^{s,t}, RT_DIPC_{k,h}^{s,t}) - \text{Max} \left(0, (-1) \times OP(DAM_LMP_h^s, AQEI_{k,h}^{s,t}, DAM_DIPC_{k,h}^s) \right) \right] \right)$$

4.6.15 For a *GOG-eligible resource* associated with a *pseudo-unit* that receives a *real-time schedule* less than its 1-on-1 *minimum loading point* during a period when the *GOG-eligible resource* does not have a *day-ahead schedule*, the real-time ramp-down *settlement amount* is calculated as follows:

$$RT_RDSA_k^s = \text{Max} \left(0, \sum^T \left[(-1) \times OP(RT_LMP_h^{s,t}, AQEI_{k,h}^{s,t}, RT_DIPC_{k,h}^{s,t}) \right] \right)$$

4.7 Internal Congestion and Loss Residuals

4.7.1 The internal congestion and loss residual *settlement amount* shall be calculated for each *energy market billing period* and disbursed to or collected from the *market participants* for *non-dispatchable loads*, *dispatchable loads* and *price responsive loads* in accordance with section 4.7.3. In calculating the internal congestion and loss residual *settlement amount*, the following subscripts and superscripts shall have the following meanings unless otherwise specified:

4.7.1.1 'H' is the set of all *settlement hours* 'h' in the current *energy market billing period*;

4.7.1.2 'M1' is the set of all *delivery points* 'm' for *non-dispatchable loads*,
and

4.7.1.3 'M0' is the set of all *delivery points* 'm' except those for *non-dispatchable loads*.

4.7.2 The *IESO* shall determine for each *energy market billing period* the congestion rent and loss residual ("CRLR"), which shall be calculated as follows:

$$\begin{aligned}
CRLR = & \sum_{K,H}^{M0} \left[(DAM_QSW_{k,h}^m - DAM_QSI_{k,h}^m) \times DAM_LMP_h^m \right. \\
& + \sum^T \left((AQEW_{k,h}^{m,t} - AQEI_{k,h}^{m,t}) \right. \\
& \left. \left. - (DAM_QSW_{k,h}^m - DAM_QSI_{k,h}^m) \right) \times RT_LMP_h^{m,t} / 12 \right] \\
& + \sum_{K,H}^V \left[(DAM_QVSW_{k,h}^v \right. \\
& \left. - DAM_QVSI_{k,h}^v) \times \sum^T (DAM_LMP_h^{vz} - RT_LMP_h^{vz,t}) \right] \\
& + \sum_{K,H}^{M1} \left[(DAM_LMP_h^z + LFDC_h) \times \sum^T AQEW_{k,h}^{m,t} \right] \\
& + \sum_{K,H}^I \left[(DAM_QSW_{k,h}^i - DAM_QSI_{k,h}^i) \times DAM_LMP_h^i \right. \\
& + \sum^T \left((SQEW_{k,h}^{i,t} - SQEI_{k,h}^{i,t}) \right. \\
& \left. \left. - (DAM_QSW_{k,h}^i - DAM_QSI_{k,h}^i) \right) \times RT_LMP_h^{i,t} / 12 \right] \\
& - \sum_{K,H}^I (DAM_QSW_{k,h}^i - DAM_QSI_{k,h}^i) \times DAM_PEC_h^i \\
& - \sum_{K,H}^I (DAM_QSW_{k,h}^i - DAM_QSI_{k,h}^i) \times DAM_PNISL_h^i \\
& - \sum_{K,H}^{I,T} \left((SQEW_{k,h}^{i,t} - SQEI_{k,h}^{i,t}) - (DAM_QSW_{k,h}^i - DAM_QSI_{k,h}^i) \right) \\
& \times RT_PEC_h^{i,t} / 12 \\
& - \sum_{K,H}^{I,T} \left((SQEW_{k,h}^{i,t} - SQEI_{k,h}^{i,t}) - (DAM_QSW_{k,h}^i - DAM_QSI_{k,h}^i) \right) \\
& \times RT_PNISL_h^{i,t} / 12
\end{aligned}$$

4.7.3 The internal congestion and loss residual *settlement amount* is disbursed to or collected from *market participant 'k'* ("ICLR_k") in the current *energy market billing period* shall be calculated as follows:

$$ICLR_k = CRLR \times \sum_H^{M,T} AQEW_{k,h}^{m,t} / \sum_{K,H}^{M,T} AQEW_{k,h}^{m,t}$$

4.8 Real-Time External Congestion, Real-Time NISL Residual, and Day-Ahead Market NISL Residuals

Real-Time External Congestion Residual

4.8.1 The real-time external congestion residual *settlement amount* shall be calculated for each *energy market billing period* and disbursed to or collected from the *market participants for non-dispatchable loads, dispatchable loads, price responsive loads, and boundary entity resources* engaging in export transactions in accordance with sections 4.8.3 and 4.8.4. In calculating the real-time external congestion residual *settlement amount*, the following subscripts and superscripts shall have the following meanings unless otherwise specified:

4.8.1.1 'H' is the set of all *settlement hours 'h'* in the current *energy market billing period*;

4.8.1.2 'TD_C' is the total dollar value of monthly service *charge type 'C'* in the current *energy market billing period*;

4.8.1.3 'TD_{C,C1}' is the total dollar value of monthly service *charge type 'C'* and 'C1' in the current *energy market billing period*;

4.8.1.4 'TD_{C1}' is the total dollar value of monthly service *charge type 'C1'* in the current *energy market billing period*;

4.8.1.5 'C' is the set of all monthly provincial *transmission services charge charge types* in the current *energy market billing period* as follows: 650, 651, 652;

4.8.1.6 'C1' is the set of all monthly export *transmission services charge charge types* in the current *energy market billing period* as follows: 653; and

4.8.1.7 'T' is the set of all *metering intervals 't'* in the set of all *settlement hours 'H'*.

4.8.2 The IESO shall determine for each *energy market billing period* the real-time external congestion residual ("RT ECR") which shall be calculated as follows:

$$RT_ECR = \sum_{k,H}^{I,T} \left((SQEW_{k,h}^{i,t} - SQEI_{k,h}^{i,t}) - (DAM_QSW_{k,h}^i - DAM_QSI_{k,h}^i) \right) \times RT_PEC_h^{i,t} / 12$$

4.8.3 In respect of *non-dispatchable loads, dispatchable loads and price responsive loads*, the real-time external congestion residual *settlement amount* to be disbursed to or collected from *market participant 'k'* ("RT ECRU_k") in the current *energy market billing period* shall be calculated as follows:

$$RT_ECRU_k = RT_ECR_L \times \sum_H^{M,T} AQEW_{k,h}^{m,t} / \sum_{K,H}^{M,T} AQEW_{k,h}^{m,t}$$

Where:

a. RT ECR_L is the portion of the real-time external congestion residual in the current *energy market billing period* allocated to *market participants* that have paid provincial *transmission services charges "C"* in the current *energy market billing period*, and calculated as follows:

$$RT_ECR_L = RT_ECR \times \sum_K TD_C / \sum_K TD_{C,C1}$$

4.8.4 In respect of export transactions for *boundary entity resources*, the real-time external congestion residual *settlement amount* to be disbursed to or collected from *market participant 'k'* ("RT ECRU_k") in the current *energy market billing period* shall be calculated as follows:

$$RT_ECRU_k = RT_ECR_E \times \sum_H^{I,T} SQEW_{k,h}^{i,t} / \sum_{K,H}^{I,T} SQEW_{k,h}^{i,t}$$

Where:

a. RT ECR_E is the portion of the real-time external congestion residual in the current *energy market billing period* allocated to *market participants* that have paid export *transmission services charges "C1"* in the current *energy market billing period*, and calculated as follows:

$$RT_ECR_E = RT_ECR \times \sum_K TD_{C1} / \sum_K TD_{C,C1}$$

Day-Ahead Market NISL Residual

4.8.5 The *day-ahead market net interchange scheduling limit residual settlement amount* shall be calculated for each *trading day* and disbursed to or collected from the *market participants* for *non-dispatchable loads, dispatchable loads, price responsive loads, and boundary entity resources* engaging in export transactions in accordance with section 4.8.7. In calculating the *day-ahead market net interchange scheduling limit residual uplift settlement amount*, the following subscripts and superscripts shall have the following meanings unless otherwise specified:

4.8.5.1 'T' is the set of all *metering intervals* 't' in the set of all *settlement hours* 'H'; and

4.8.5.2 'M' is the set of all *delivery points* 'm' and *intertie metering points* 'i'.

4.8.6 The IESO shall determine for each *trading day* the *day-ahead market net interchange scheduling limit residual* ("DAM_NISLR"), which shall be calculated as follows:

$$DAM_NISLR = \sum_{K,H}^I [(DAM_QSW_{k,h}^i - DAM_QSI_{k,h}^i) \times DAM_PNISL_h^i]$$

4.8.7 The *day-ahead market net interchange scheduling limit residual settlement amount* to be disbursed to or collected from *market participant* 'k' ("DAM_NISLU_k") for the applicable *trading day* shall be calculated as follows:

$$DAM_NISLU_k = DAM_NISLR \times \left[\frac{\sum_H^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t})}{\sum_{K,H}^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t})} \right]$$

Real-Time NISL Residual

4.8.8 The IESO shall determine the *real-time market net interchange scheduling limit residual for settlement hour* 'h' ("RT_NISLR_h") which shall be uplifted through the *hourly uplift* and is calculated as follows:

$$RT_NISLR_h = \sum_K^{I,T} ((SQEW_{k,h}^{i,t} - SQEI_{k,h}^{i,t}) - (DAM_QSW_{k,h}^i - DAM_QSI_{k,h}^i)) \times RT_PNISL_h^{i,t} / 12$$

4.9 4.7TR Transmission Rights Clearing Account Disbursements

4.79.1 Disbursements from the *TR clearing account* ordered by the IESO Board pursuant to ~~section 4MR Ch.8 s.3.18.2 of Chapter 8~~ shall be distributed among *market participants* based on the proportionate share of all *transmission services* charges paid during *energy market billing periods* immediately preceding the current *energy market billing period*, in accordance with this section 4.79.

4.79.1.1 The portion of the total disbursements from the *TR clearing account* allotted to *market participants* that have paid provincial transmission charges shall be disbursed to *market participants* on an individual basis as a non-hourly *settlement amount* according to each *market participant's* proportionate quantity of *energy* withdrawn from the *IESO-controlled grid* at all *RWMs registered wholesale meters* excluding *intertie metering points* during *energy market billing periods* immediately preceding the current *energy market billing period*, as determined by the *IESO Board*, in the manner described in sections 4.79.2 and 4.79.3.

4.79.1.2 The portion of the total disbursements from the *TR clearing account* allotted to *market participants* that have paid export *transmission service charges* shall be disbursed to *market participants* on an individual basis as a non-hourly *settlement amount* according to each *market participant's* proportionate quantity of *energy* withdrawn from the *IESO-controlled grid* at all *intertie metering points* during *energy market billing periods* immediately preceding the current *energy market billing period*, as determined by the *IESO Board*, in the manner described in sections 4.79.2 and 4.79.3.

4.79.2 The portion of any disbursement from the *TR clearing account* payable to *market participant 'k'* in the current *energy market billing period* shall be calculated as follows:

$$TRCAC_k = \frac{TRCAD}{\sum_{K,H}^{M,T} AQEW_{k,h}^{m,t}} \times \sum_H^{M,T} AQEW_{k,h}^{m,t}$$

4.9.2.1 For *market participants* that have paid provincial *transmission service services charges* in the *energy market billing periods* immediately preceding the current *energy market billing period*, as determined by the *IESO Board*:

$$TRCAC_k = TRCAD_L \times \sum_H^{M,T} [(AQEW_{k,h}^{m,t}) / \sum_{K,H}^{M,T} (AQEW_{k,h}^{m,t})]$$

4.9.2.2 For *market participants* that have paid export *transmission services charges* in the *energy market billing periods* immediately preceding the current *energy market billing period*, as determined by the *IESO Board*:

$$TRCAC_k = TRCAD_L \times \sum_H^{M,T} [(AQEW_{k,h}^{m,t}) / \sum_{K,H}^{M,T} (AQEW_{k,h}^{m,t})]$$

~~For market participants that have paid export transmission service charges in the energy market billing periods immediately preceding the current energy market billing period, as determined by the IESO Board:~~

$$\text{TRCAC}_k = \text{TRCAD}_E \times \sum_{H^{I,T}} \left[\frac{(\text{SQEW}_{k,h}^{i,t})}{\sum_{K,H^{I,T}} (\text{SQEW}_{k,h}^{i,t})} \right]$$

$$\text{TRCAC}_k = \text{TRCAD}_E \times \sum_{H^{I,T}} \left[\frac{(\text{SQEW}_{k,h}^{i,t})}{\sum_{K,H^{I,T}} (\text{SQEW}_{k,h}^{i,t})} \right]$$

Where:

- a. $\text{TRCAD}_L = (\sum_K \text{TD}_C / \sum_K \text{TD}_{C,C1}) \times \text{TRCAD}$
- b. $\text{TRCAD}_E = (\sum_K \text{TD}_{C1} / \sum_K \text{TD}_{C,C1}) \times \text{TRCAD}$
- c. TRCAC_k = the TR clearing account credit payable to market participant 'k' in the current energy market billing period;
- d. TRCAD = the total dollar value of all disbursements from the TR clearing account ~~authorised~~ authorized by the IESO Board in the current energy market billing period;
- e. TRCAD_L = the portion of the total dollar value of all disbursements from the TR clearing account authorized by the IESO Board in the current energy market billing period allocated to market participants that have paid provincial transmission ~~service~~ services charges "C" in the energy market billing periods immediately preceding the current energy market billing period, as determined by the IESO Board;
- f. TRCAD_E = the portion of the total dollar value of all disbursements from the TR clearing account authorized by the IESO Board in the current energy market billing period allocated to market participants that have paid export transmission ~~services~~ services charges "C1" in the energy market billing periods immediately preceding the current energy market billing period, as determined by the IESO Board;
- g. M = the set of all ~~RWMs~~ registered wholesale meters 'm' excluding *intertie metering points* during energy market billing periods immediately preceding the current energy market billing period, as determined by the IESO Board;
- h. ~~K = the set of all market participants 'k'~~ *I = intertie metering points 'i'* during energy market billing periods immediately preceding the current energy market billing period, as determined by the IESO Board;

- i. \overline{TK} = the set of all *metering intervals 't' in market participants 'k' during energy market billing periods* immediately preceding the current *energy market billing period*, as determined by the *IESO Board*;
- j. \overline{HT} = the set of all *settlement hours 'h' metering intervals 't' in energy market billing periods* immediately preceding the current *energy market billing period*, as determined by the *IESO Board*;
- k. \overline{H} = the set of all *settlement hours 'h' in energy market billing periods* immediately preceding the current *energy market billing period*, as determined by the *IESO Board*;
- l. \overline{C} = the set of all monthly service *charge types 'c'* as follows: 650,651,652; and
- m. $\overline{C1}$ = the set of all monthly export transmission *charge types 'c'* as follows: 653.

4.79.3 Where a $TRCAC_k$ is payable to a former *market participant*, the *IESO* will endeavour to distribute the $TRCAC_k$ as specified in the applicable *market manual*. If the *IESO* cannot distribute a $TRCAC_k$ to a former *market participant* as specified in the applicable *market manual*, such amounts shall remain in the *TR clearing account* for subsequent debits in accordance with ~~section 4MR Ch.8 s.3.18.1 of Chapter 8.~~

~~4.7A [Intentionally left blank—section deleted]~~

~~4.7A.1 [Intentionally left blank—section deleted]~~

~~4.7A.1.1 [Intentionally left blank—section deleted]~~

~~4.7A.1.2 [Intentionally left blank—section deleted]~~

~~4.7A.2 [Intentionally left blank—section deleted]~~

~~4.7B Real-Time Generation Cost Guarantee Payments~~

~~4.7B.1 The *IESO* shall determine on a *per start* basis, for each *generation facility* that has met the eligibility criteria for the real-time generation cost guarantee specified in sections 2.2B, 5.7 and 6.3A of Chapter 7, the following:~~

4.10 Generator Failure Charge

4.10.1 The *generator failure charge – market price component settlement amount* and the *generator failure charge – guarantee cost component settlement amount* shall be calculated for each *settlement hour* of a *generator failure*, and collected from the *market participant* for the *GOG-eligible resource* which experienced the *generator failure* in accordance with this section 4.10. In calculating each component of the *generator failure charge* in this section 4.10, the following subscripts and superscripts shall have the following meanings unless otherwise specified:

- a. 'T' is the set of all *metering intervals* at *delivery point 'm'* in *settlement hour 'h'* of the relevant *generator failure*, determined in accordance with the applicable *market manual*; and
- b. 'T1' is the set of all contiguous *metering intervals* at *delivery point 'm'* of the relevant *generator failure*, determined in accordance with the applicable *market manual*.

Exclusions

4.10.2 If a *GOG-eligible resource* receives a *day-ahead schedule* for any period that is within the *settlement hours* of a *generator failure*, the *IESO* shall not consider these *day-ahead scheduled quantities of energy* as *energy* not delivered during such *settlement hours*.

4.10.3 A *generator failure* shall not be considered to have occurred where the *IESO* has determined, or the *market participant* has demonstrated to the satisfaction of the *IESO*, that the circumstances giving rise to the *generator failure* were solely due to:

- a. the *GOG-eligible resource* being incapable of injecting *energy* into the *IESO-controlled grid* due to an unplanned *outage* on the *IESO-controlled grid*;
- b. the *IESO* dispatching the *GOG-eligible resource* in order to maintain the *reliability* of the *IESO-controlled grid*; or
- c. the *GOG-eligible resource* being *dispatched* to an amount equal to or greater than its *minimum loading point*, on request from the *market participant*, to prevent endangering the safety of any person, equipment damage, or violation of any *applicable law*.

Non-Pseudo-Unit – Failure Events

4.10.4 Subject to section 4.10.3 and for a *GOG-eligible resource* not associated with a *pseudo-unit*, a *generator failure* will have occurred when the *GOG-eligible resource* fails to:

- a. achieve its *minimum loading point* by the start of the *pre-dispatch operational commitment*, or
- b. inject *energy* into the *IESO-controlled grid* greater than or equal to its *minimum loading point* for the duration of the *pre-dispatch operational commitment*, including any *extended pre-dispatch operational commitments* that immediately follow.

Non-Pseudo-Unit – Market Price Component

4.10.5 For a *GOG-eligible resource* not associated with a *pseudo-unit* where a *generator failure* is determined to have occurred, the *IESO* shall calculate the *generator failure charge – market price component settlement amount* for *market participant 'k'* at *delivery point 'm'* for each *settlement hour 'h'* within the *generator failure* ($GFC_MPC_{k,h}^m$) in accordance with the following:

- a. if the *market participant* provides less than four hours of advance notice of a given *generator failure* or fails to provide such notice, $GFC_MPC_{k,h}^m$ shall be determined as follows:

$$GFC_MPC_{k,h}^m = \sum^T \text{Min}[0, -1 \times (RT_LMP_h^{m,t} - PD_LMP_h^{m,pdm}) \times \text{Max}(0, PD_QSI_{k,h}^{m,pdm} - \text{Max}(AQEI_{k,h}^{m,t}, DAM_QSI_{k,h}^m))] / 12$$

- b. if the *market participant* provides four hours or greater advance notice of a given *generator failure*, $GFC_MPC_{k,h}^m$ shall be determined as follows:

$$GFC_MPC_{k,h}^m = \sum^T \text{Min}[0, -1 \times (\text{Min}(RT_LMP_h^{m,t}, PD_LMP_h^{m,pd1}) - PD_LMP_h^{m,pdm}) \times \text{Max}(0, PD_QSI_{k,h}^{m,pdm} - \text{Max}(AQEI_{k,h}^{m,t}, DAM_QSI_{k,h}^m))] / 12$$

Non-Pseudo-Unit – Guarantee Cost Component

4.10.6 For a *GOG-eligible resource* not associated with a *pseudo-unit* where a *generator failure* is determined to have occurred, the *IESO* shall calculate the *generator failure charge – guarantee cost component settlement amount* for *market participant 'k'* at *delivery point 'm'* for each *generator failure 'f'* ($GFC_GCC_{k,f}^m$) in

accordance with the following and the operating profit function described in section 10 of Appendix 9.2:

$$\begin{aligned}
 GFC_GCC_{k,f}^m &= -1 \\
 &\times \text{Max} \left[0, PD_SU_Ratio_{k,f}^m \times SU_INCR_{k,f}^m \right. \\
 &+ \sum^{T1} \frac{PD_BE_SNL_{k,h}^{m,pdm}}{12} \\
 &\left. - \sum^{T1} OP(PD_LMP_h^{m,pdm}, PD_QSI_{k,h}^{m,pdm}, PD_BE_{k,h}^{m,pdm})/12 \right] \times M1
 \end{aligned}$$

Where:

a. 'M1' is the prorating factor based on the quantity of energy that the resource failed to deliver and calculated as follows:

$$M1 = \left[1 - \frac{\sum^{T1} \text{Min} \left(PD_QSI_{k,h}^{m,pdm}, \text{Max} \left(AQEI_{k,h}^{m,t}, DAM_QSI_{k,h}^m \right) \right)}{\left(\sum^{T1} PD_QSI_{k,h}^{m,pdm} \right)} \right]$$

b. if the pre-dispatch operational commitment violated by the generator failure 'f':

advances a day-ahead operational commitment, and the number of advancement hours of the advanced pre-dispatch operational commitment is less than its minimum generation block run-time plus its minimum generation block down-time, then:

$$SU_INCR_{k,f}^m = \text{Max} \left(0, PD_BE_SU_{k,f}^{m,pdm} - DAM_BE_SU_{k,f}^m \right)$$

c. if the pre-dispatch operational commitment violated by the generator failure 'f' is an extended pre-dispatch operational commitment, then:

$$SU_INCR_{k,f}^m = 0$$

d. Otherwise:

$$SU_INCR_{k,f}^m = PD_BE_SU_{k,f}^{m,pdm}$$

e. PD_SU_Ratio_{k,f}^m is a prorating factor calculated as follows:

- i. if the *pre-dispatch operational commitment* violated by the *generator failure* 'f' is an *extended pre-dispatch operational commitment*, then:

$$PD_SU_RATIO_{k,f}^m = 0$$

- ii. Otherwise:

$$PD_SU_Ratio_{k,f}^m = \text{Min} \left(1, \frac{MLP_INJ_{k,f}^m}{PD_MGBRT_{k,f}^m} \right)$$

Where:

- a. *MLP_INJ_{k,f}^m* is the number of *metering intervals* where the *GOG-eligible resource* for *market participant* 'k' injects *energy* into the *IESO-controlled grid* at *delivery point* 'm' in an amount less than its *minimum loading point* during the *minimum generation block run-time* associated with the *pre-dispatch operational commitment* associated with *generator failure* 'f'; and
- b. *PD_MGBRT_{k,f}^m* is the number of *metering intervals* of the *minimum generation block run-time* associated with the *pre-dispatch operational commitment* associated with *generator failure* 'f' for *market participant* 'k' at *delivery point* 'm'.

Pseudo-Unit – Failure Events

4.10.7 Subject to section 4.10.3 and for a *GOG-eligible resource* associated with a *pseudo-unit*, a *generator failure* will have occurred in the following circumstances:

- a. for a combustion turbine associated with a *pseudo-unit*, if at any time during a *settlement hour* where:
- i. the combustion turbine fails to achieve its *minimum loading point* by the start of the *pre-dispatch operational commitment* of its associated *pseudo-unit*;
- ii. the combustion turbine fails to inject *energy* into the *IESO-controlled grid* greater than or equal to its *minimum loading point* for the duration of the *pre-dispatch operational commitment* of its associated *pseudo-unit*, including any *extended pre-dispatch operational commitments* that immediately follow; or
- iii. the associated *pseudo-unit* activates a single cycle flag during its *pre-dispatch operational commitment*, including any *extended pre-*

dispatch operational commitments that immediately follow, and increases its offer price;

- b. for a steam turbine associated with a pseudo-unit, if:
- i. one or more of the combustion turbines associated with the steam turbine:
 - a. fails to achieve its minimum loading point by the start of the pre-dispatch operational commitment of its associated pseudo-unit, or
 - b. fails to inject energy into the IESO-controlled grid greater than or equal to its minimum loading point for the duration of the pre-dispatch operational commitment of its associated pseudo-unit, including any extended pre-dispatch operational commitments that immediately follow; or
 - ii. one or more of the pseudo-units associated with the steam turbine activates a single cycle flag during its pre-dispatch operational commitment, including any extended pre-dispatch operational commitments that immediately follow.

Pseudo-Unit – Market Price Component

4.10.8 For a combustion turbine associated with a pseudo-unit where a generator failure has occurred, the IESO shall calculate the generator failure charge – market price component settlement amount for market participant 'k' at combustion turbine delivery point 'c' for each settlement hour 'h' within the generator failure ($GFC_MPC_{k,h}^c$) in accordance with the following:

4.10.8.1 If the market participant provides less than four hours of advance notice of the generator failure or fails to provide such notice, $GFC_MPC_{k,h}^c$ shall be determined as follows:

$$GFC_MPC_{k,h}^c = \sum^T \text{Min}[0, (-1) \times (RT_LMP_h^{c,t} - PD_LMP_h^{c,pdm}) \times \text{Max}(PD_QSI_{k,h}^{c,pdm} - \text{Max}(AQEI_{k,h}^{c,t}, DAM_QSI_{k,h}^c), 0)]/12$$

4.10.8.2 If the market participant provides four hours or greater advance notice of the generator failure, $GFC_MPC_{k,h}^c$ shall be determined as follows:

$$GFC_MPC_{k,h}^c = \sum^T \text{Min}[0, (-1) \times (\text{Min}(RT_LMP_h^{c,t}, PD_LMP_h^{c,pd1}) - PD_LMP_h^{c,pdm}) \times \text{Max}(PD_QSI_{k,h}^{c,pdm} - \text{Max}(AQEI_{k,h}^{c,t}, DAM_QSI_{k,h}^c), 0)]/12$$

4.10.9 For a steam turbine associated with a *pseudo-unit* where a *generator failure* has occurred, the IESO shall calculate the *generator failure charge – market price component settlement amount for market participant 'k' steam turbine delivery point 's' for each settlement hour 'h' within the generator failure (GFC_MPC_{k,h}^{s,t})* in accordance with the following:

$$GFC_MPC_{k,h}^s = \sum^T GFC_MPC_{k,h}^{s,t}$$

Where:

- 'T' is the set of all *metering intervals* at steam turbine *delivery point 's'* in *settlement hour 'h'* of the relevant *generator failure*, determined in accordance with the applicable *market manual*.
- If the *market participant* provides less than four hours of advance notice of the *generator failure* or fails to provide such notice, *GFC_MPC_{k,h}^{s,t}* shall be determined as follows:

$$GFC_MPC_{k,h}^{s,t} = (-1) \times \text{Max}(RT_LMP_h^{s,t} - \text{Min}\{c \in CT_F | PD_LMP_h^{s,pdm}\}, 0) \\ \times \text{Max}\left(\sum^{M_t} [RT_STP_QSI_{k,h}^{p,t}] + \sum^{N_t} [PD_STP_QSI_{k,h}^{p,pdm}] - AQEI_{k,h}^{s,t}, 0\right) / 12$$

- If the *market participant* provides four hours or greater advance notice of the *generator failure*, *GFC_MPC_{k,h}^{s,t}* shall be determined as follows:

$$GFC_MPC_{k,h}^{s,t} = (-1) \\ \times \text{Max}(\text{Min}(RT_LMP_h^{s,t}, PD_LMP_h^{s,pd1}) - \text{Min}\{c \in CT_F | PD_LMP_h^{s,pdm}\}, 0) \\ \times \text{Max}\left(\sum^{M_t} [RT_STP_QSI_{k,h}^{p,t}] + \sum^{N_t} [PD_STP_QSI_{k,h}^{p,pdm}] - AQEI_{k,h}^{s,t}, 0\right) / 12$$

Where:

- 'CT_F' is the set of all combustion turbines associated with steam turbine *delivery point 's'* having a combustion turbine failure interval or are operating in *single cycle mode* during *metering interval 't'*;
- 'M_t' is the set of all *pseudo-units* associated with the steam turbine *delivery point 's'* whose associated combustion turbine does not have

- a combustion turbine failure interval and are not operating in *single cycle mode* during *metering interval* 't'; and
- iii. 'N_t' is the set of all *pseudo-units* associated with the steam turbine *delivery point* 's' whose associated combustion turbine has a combustion turbine failure interval or are operating in *single cycle mode* during *metering interval* 't'.

Pseudo-Unit – Guarantee Cost Component

4.10.10 For a combustion turbine associated with a *pseudo-unit* where a *generator failure* has occurred, the *IESO* shall calculate the *generator failure charge – guarantee cost component settlement amount* for *market participant* 'k' at combustion turbine *delivery point* 'c' for each *generator failure* 'f' that occurs ($GFC_GCC_{k,f}^c$) in accordance with the following and the operating profit function described in section 10 of Appendix 9.2:

$$GFC_GCC_{k,f}^c = (-1) \times \text{Max} \left[0, PD_SU_Ratio_{k,f}^c \times SU_INCR_{k,f}^{p,pdm} \times (1 - ST_Portion_{k,d1}^p) + \sum^{T1} \left(\frac{PD_BE_SNL_{k,h}^{p,pdm}}{12} \times (1 - ST_Portion_{k,d1}^p) - \frac{OP(PD_LMP_h^{c,pdm}, PD_QSI_{k,h}^{c,pdm}, PD_DIPC_{k,h}^{c,t})}{12} \right) \right] \times M1$$

Where:

- a. 'M1' is the prorating factor based on the quantity of *energy* that the *resource* failed to deliver and calculated as follows:

$$M1 = \left[1 - \frac{\sum^{T1} \text{Min} \left(PD_QSI_{k,h}^{c,pdm}, \text{Max} \left(AQEI_{k,h}^{c,t}, DAM_QSI_{k,h}^c \right) \right)}{\left(\sum^{T1} PD_QSI_{k,h}^{c,pdm} \right)} \right]$$

- b. If the *pre-dispatch operational commitment* violated by failure 'f' bridges with a *day-ahead operational commitment* and the number of advancement hours of the *advanced pre-dispatch operational commitment* is less than its *minimum generation block run-time* plus its *minimum generation block down-time*, then:

$$SU_INCR_{k,f}^{p,pdm} = \text{Max} \left(0, PD_BE_SU_{k,f}^{p,pdm} - DAM_BE_SU_{k,f}^p \right)$$

c. if the *pre-dispatch operational commitment* violated by the *generator failure* 'f' is an *extended pre-dispatch operational commitment*, then:

$$SU_INCR_{k,f}^{p,pdm} = 0$$

d. Otherwise:

$$SU_INCR_{k,f}^{p,pdm} = PD_BE_SU_{k,f}^{p,pdm}$$

e. $PD_SU_Ratio_{k,f}^c$ is a prorated factor calculated as follows:

i. if the *pre-dispatch operational commitment* violated by the *generator failure* 'f' is an *extended pre-dispatch operational commitment*, then:

$$PD_SU_Ratio_{k,f}^c = 0$$

ii. Otherwise:

$$PD_SU_Ratio_{k,f}^c = \text{Min} \left(1, \frac{MLP_INJ_{k,f}^c}{PD_MGBRT_{k,f}^c} \right)$$

Where:

a. $MLP_INJ_{k,f}^c$ is the number of *metering intervals* where the *GOG-eligible resource* for *market participant* 'k' injects *energy* into the *IESO-controlled grid* at *combustion turbine delivery point* 'c' in an amount less than its *minimum loading point* during the *minimum generation block-run time* associated with the *pre-dispatch operational commitment* associated with *generator failure* 'f'; and

b. $PD_MGBRT_{k,f}^c$ is, for *market participant* 'k' at *combustion turbine delivery point* 'c', the number of *metering intervals* of the *minimum generation block run-time* associated with the *pre-dispatch operational commitment* associated with *generator failure* 'f'.

4.10.11 For a steam turbine associated with a *pseudo-unit* where a *generator failure* has occurred, the *IESO* shall calculate the *generator failure charge* – *guarantee cost component settlement amount* for *market participant* 'k' at steam turbine *delivery point* 's' ($GFC_GCC_k^s$) in accordance with the following and the operating profit function described in section 10 of Appendix 9.2:

$$\begin{aligned}
 GFC_GCC_k^s &= (-1) \\
 &\times \text{Max} \left[0, \sum^F (PD_SU_Ratio_{k,f}^c \times SU_INCR_{k,f}^{p,pdm} \times ST_Portion_{k,d1}^p) \right. \\
 &+ \sum^{T1} \sum^{CT_f} \left(\frac{PD_BE_SNL_{k,h}^{p,pdm}}{12} \times ST_Portion_{k,d1}^p \right) \\
 &\left. - \sum^{T1} (OP[\text{Min}\{c \in CT_F | PD_LMP_h^{s,pdm}\}, PD_DIGQ_{k,h}^{s,t}, PD_DIPC_{k,h}^{s,t}] / 12) \right] \times M1
 \end{aligned}$$

Where:

a. 'M1' is the prorating factor based on the quantity of energy that the resource failed to deliver and calculated as follows:

$$\begin{aligned}
 M1 &= \left[1 - \frac{\sum^{T1} \text{Min}(\sum^{N_t} [PD_STP_QSI_{k,h}^{p,pdm}], \text{Max}(AQEI_{k,h}^{s,t} - \sum^{M_t} (RT_STP_QSI_{k,h}^{p,t}), \sum^{N_t} DAM_STP_QSI_{k,h}^p))}{\sum^{T1} \sum^{N_t} [PD_STP_QSI_{k,h}^{p,pdm}]} \right]
 \end{aligned}$$

b. If the combustion turbine's pre-dispatch operational commitment violated by failure 'f' bridges with a day-ahead operational commitment and the number of pre-dispatch advancement hours is less than its minimum generation block run-time plus its minimum generation block down-time, then:

$$SU_INCR_{k,f}^{p,pdm} = \text{Max}(0, PD_BE_SU_{k,f}^{p,pdm} - DAM_BE_SU_{k,f}^p)$$

c. If the pre-dispatch operational commitment violated by the generator failure 'f' is an extended pre-dispatch operational commitment, then:

$$SU_INCR_{k,f}^{p,pdm} = 0$$

d. Otherwise,

$$SU_INCR_{k,f}^{p,pdm} = PD_BE_SU_{k,f}^{p,pdm}$$

e. PD_SU_Ratio_{k,f}^c is a prorated start-up offer calculated as follows:

- i. if the *pre-dispatch operational commitment* violated by the *generator failure* 'f' is an *extended pre-dispatch operational commitment*, then:

$$PD_SU_Ratio_{k,f}^c = 0$$

- ii. Otherwise:

$$PD_SU_Ratio_{k,f}^c = \text{Min} \left(1, \frac{MLP_INJ_{k,f}^c}{PD_MGBRT_{k,f}^c} \right)$$

Where:

- a. 'CT_f' is the set of all combustion turbines associated with steam turbine *delivery point*'s' having a combustion turbine failure interval during *metering interval* 't';
- b. 'M_f' is the set of all *pseudo-units* associated with steam turbine *delivery point*'s' whose associated combustion turbine does not have a combustion turbine failure interval and are not operating in *single cycle mode* during *metering interval* 't';
- c. 'N_f' is the set of all *pseudo-units* associated with steam turbine *delivery point*'s' whose associated combustion turbine has a combustion turbine failure interval or are operating in *single cycle mode* during *metering interval* 't';
- d. 'F' is the set of all combustion turbine or steam turbine failures 'f' occurring during the period 'T1';
- e. MLP_INJ_{k,f}^c has the same meaning as section 4.10.10(e)(ii)(a); and
- f. PD_MGBRT_{k,f}^c has the same meaning as section 4.10.10(e)(ii)(b).

4.11 Fuel Cost Compensation Credit

4.11.1 Subject to this section 4.11, the fuel cost compensation credit *settlement amount* for *market participant* 'k' (FCC_k) shall be calculated and disbursed to the *market participants* for *GOG-eligible resources* in the following circumstances:

4.11.1.1 the *market participant* for the *GOG-eligible resource*, following the issuance of the *GOG-eligible resource's start-up notice*, has acknowledged receipt of such *start-up notice* and has indicated that it reasonably expects to comply with the *start-up notice*;

4.11.1.2 the *IESO*, in order to maintain the *reliability* of the *IESO-controlled grid*, requires the *GOG-eligible resource* that has a *day-ahead operational commitment* or a *pre-dispatch operational commitment* to

either de-synchronize from the *IESO-controlled grid* prior to the end of its *day-ahead operational commitment* or *pre-dispatch operational commitment*, as the case may be, or not to synchronize to the *IESO-controlled grid* prior to the start of its *day-ahead operational commitment* or *pre-dispatch operational commitment*, as the case may be;

4.11.1.3 the *market participant* submits a claim, in accordance with the process specified in the applicable *market manual*, to the *IESO* requesting compensation for financial losses related to the procurement of fuel for operation during its *day-ahead operational commitment* or *pre-dispatch operational commitment*, as the case may be, which was not ultimately utilized by that *GOG-eligible resource*, as detailed in section 4.11.2; and

4.11.1.4 the *IESO* determines such claim, or part thereof, to be valid.

4.11.2 In determining whether claims, or part thereof, made pursuant to sections 4.11.1 are valid, the *IESO* shall apply the following principles:

4.11.2.1 Financial losses related to the procurement of fuel required for the *GOG-eligible resource* to achieve its *minimum loading point* in accordance with its *day-ahead operational commitment* or *pre-dispatch operational commitment* that were impacted by the *IESO's* actions as described in section 4.11.1.2 are eligible for compensation, and may include:

- a. direct fuel costs, which will be compensated for based on the replacement cost of such fuel, provided such fuel was not ultimately utilized by that *GOG-eligible resource*, as determined by the *IESO* using the most appropriate comparator price for the relevant fuel, as determined by the *IESO* in its sole discretion;
- b. transportation costs relating to the transportation of fuel to the *GOG-eligible resource*, including normal losses of fuel in transit. For greater certainty, fixed transportation costs are not eligible for compensation;
- c. storage injection or withdrawal charges, where such costs were unavoidable and incurred following the *IESO's* actions as described in section 4.11.1.2 by the *market participant* as a result of storing the procured fuel for later utilization; and
- d. any other fuel-related costs the *market participant* incurred directly as a result of the *IESO's* actions as described in section 4.11.1.2 that the *IESO* determines was unavoidable; and

4.11.2.2 Notwithstanding the foregoing, compensation will not be provided for the following costs:

- a. where the loss claimed was mitigated by the *market participant* through some means, including purchased fuel being put into storage and used by the *GOG-eligible resource* or another *resource* for the benefit of the *market participant* or an *affiliate*. For greater certainty, only the portion of the claimed loss that was mitigated is not eligible for compensation;
- b. operating and maintenance costs, including *station service*, planned maintenance, contractual service agreement fees, consumable parts, disposal costs, balance-of-plant maintenance, and *transmission services charges* and *connection charges*;
- c. any costs incurred in relation to *settlement hours* for which the *market participant* has already received a *day-ahead market generator offer guarantee settlement amount* or a *real-time market generator offer guarantee settlement amount*.

4.11.3 Where the *IESO* determines that a claim, or part thereof, made under section 4.11.1 are valid, the amount of the claim determined to be valid will be applied to the *market participant's settlement statement* for the last *trading day* of the *energy market billing period* in which the *IESO* made such determination.

4.11.4 All claims made to the *IESO* pursuant to section 4.11.1 may be subject to audit by the *IESO*, which may obligate the *market participant* to demonstrate or otherwise make a binding declaration that the financial loss being claimed was not mitigated through the actions of:

- a. the *market participant*;
- b. an *affiliate* or subsidiary of the *market participant*; or
- c. any other party that may have a commercial relationship with the *market participant* where that commercial relationship involves compensation of any kind that is directly related to the mitigation of the financial loss being claimed.

4.12 Forecasting for Variable Generation

4.7612.1 The *IESO* may contract for forecasting services relating to *variable generation*.

~~4.7H [Intentionally left blank—section deleted]~~

~~4.7H.1 [Intentionally left blank—section deleted]~~

~~4.7H.2 [Intentionally left blank—section deleted]~~

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~~4.7I [Intentionally left blank—section deleted]~~

~~4.7I.1 [Intentionally left blank—section deleted]~~

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~~4.7I.3 [Intentionally left blank—section deleted]~~

4.13 ~~4.7J~~ Capacity Obligations

Note: This section is currently being amended by MR-00476-R00- 2023 Capacity Auction Enhancements. This amendment will be integrated into this section at a future date.

4.14 Non-Hourly Uplifts

Generator Failure Charge – Guarantee Cost Component Uplift

4.14.1 The *generator failure charge – guarantee cost component uplift settlement amount* will be calculated and disbursed to the *market participants* for *load resources* and *boundary entity resources* engaged in export transactions for each *trading day* in which the *IESO* applies the *generator failure charge – guarantee cost component* in accordance with section 4.10.6 or 4.10.10. The *generator failure charge – guarantee cost component uplift settlement amount* for *market participant 'k'* for the relevant *trading day* ("*GFC_GCCU_k*") shall be determined as follows:

$$GFC_GCCU_k = -1 \times \sum_{K,F}^M GFC_GCC_{k,f}^m \times \left[\sum_{H}^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t}) / \sum_{K,H}^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t}) \right]$$

Where:

- $GFC_GCC_{k,f}^m$ is the *generator failure charge – guarantee cost component* calculated in accordance with section 4.10 for *market participant 'k' at delivery point 'm' for generator failure 'f'*;
- 'M' is the set of all *delivery points 'm'* and *intertie metering points 'i'*; and
- 'F' is the set of all *generator failures 'f'*.

Real-Time Generator Offer Guarantee Uplift

4.14.2 The real-time *generator offer guarantee uplift settlement amount* will be calculated and collected from the *market participants for load resources and boundary entity resources* engaged in export transactions for each *trading day* in which the *IESO* applies the real-time *generator offer guarantee* in accordance with section 4.5. The real-time *generator offer guarantee uplift settlement amount* for *market participant 'k'* for the relevant *trading day* (" $RT_GOG_{k,h}^m$ ") shall be determined as follows:

$$RT_GOGU_k = -1 \times \sum_{K,H}^{M,T} RT_GOG_{k,h}^m \times \left[\sum_{H}^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t}) / \sum_{K,H}^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t}) \right]$$

Where:

- $RT_GOG_{k,h}^m$ is the real-time *generator offer guarantee settlement amount* calculated in accordance with sections 4.5 for *market participant 'k' at delivery point 'm' for settlement hour 'h'*; and
- 'M' is the set of all *delivery points 'm'* and *intertie metering points 'i'*.

Day-Ahead Market Uplift

4.14.3 The *day-ahead market uplift settlement amount* will be calculated and collected from the *market participants for load resources and boundary entity resources* engaged in export transactions for each *trading day* in which the *IESO* applies the *day-ahead market* make whole payment or the *day-ahead market generator offer guarantee* in accordance with section 3.4 or 4.4, respectively. The *day-ahead market uplift settlement amount* for *market participant 'k'* for the relevant *trading day* (" DAM_UPL_k ") shall be determined as follows:

$$DAM_UPL_k = -1 \times \left(\sum_H^M (DAM_MWP_{k,h}^m + DAM_GOG_k^m) - DAM_P2_PMT \right) \\ \times \sum_H^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t}) / \sum_{K,H}^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t})$$

Where:

- a. *DAM_MWP_{k,h}^m is the day-ahead market make whole payment settlement amount calculated in accordance with sections 3.4 for market participant 'k' at delivery point 'm' for settlement hour 'h';*
- b. *DAM_GOG_k^m is the day-ahead market generator offer guarantee settlement amount calculated in accordance with sections 4.4 for market participant 'k' at delivery point 'm';*
- c. *'M' is the set of all delivery points 'm' and intertie metering points 'i'; and*
- d. *DAM_P2_PMT is as calculated in accordance with section 4.14.5.*

Day-Ahead Market Reliability Scheduling Uplift

4.14.4 The day-ahead market reliability scheduling uplift settlement amount will be calculated and collected from the market participants for virtual zonal resources with day-ahead schedules to inject energy, load resources and boundary entity resources engaged in export transactions for each applicable trading day. The day-ahead market reliability scheduling uplift settlement amount for market participant 'k' for the relevant trading day ("DRSU_k") shall be determined in accordance with the following:

4.14.4.1 First, the IESO shall determine the day-ahead market reliability scheduling uplift settlement amount for market participants for virtual zonal resources with day-ahead schedules to inject energy as follows:

$$V_DRSU_k = DAM_P2_PMT \\ \times \sum_H^V DAM_QVSI_{k,h}^v / \left(\sum_{K,H}^V DAM_QVSI_{k,h}^v + DAM_NDL_OF \right)$$

Where:

- a. *'DAM_P2_PMT' is as calculated in accordance with section 4.14.5;*
- b. *'V' is the set of all delivery points 'v' for virtual zonal resources; and*
- c. *'DAM_NDL_OF' is the total quantity of energy that was over-forecasted in the day-ahead market for non-dispatchable loads, as determined by the IESO as follows:*

$$DAM_NDL_OF = \sum_{H,K}^M \text{Max}(DAM_QSW_{k,h}^m + DAM_HDR_QSW_{k,h}^{m1} - AQEW_{k,h}^{m,t}, 0)$$

Where:

- i. 'M' is the set of all *delivery points* 'm' for non-dispatchable loads and physical *hourly demand response resources* that are not registered as *price responsive loads*, and
- ii. 'm1' is the set of all *delivery points* 'm' for physical *hourly demand response resources*.

4.14.4.2 Second, the *IESO* shall determine the *day-ahead market reliability scheduling uplift settlement amount*, if any, for *market participants for load resources and boundary entity resources* engaged in export transactions as follows:

$$EL_DRSU_k = \left(DAM_P2_PMT - \sum_K V_DRSU_k \right) \times \sum_H^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t}) / \sum_{K,H}^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t})$$

Where:

- a. 'M' is the set of all *delivery points* 'm' and *intertie metering points* 'i'.

4.14.5 The *IESO* shall calculate the total amount of *day-ahead market make-whole payment* disbursed to *boundary entity resources* engaged in import transactions and *day-ahead market generator offer guarantee* disbursed to *GOG-eligible resources*, in each instance for those *resources* that were scheduled in *Pass 2: Reliability Scheduling and Commitment of the day-ahead market calculation engine (DAM_P2_PMT)* as follows:

$$DAM_P2_PMT = -1 \times \sum_{H,K}^M \text{Max}(Imp_DAM_MWP_{k,h}^{i,p2} - Imp_DAM_MWP_{k,h}^{i,p1}, 0) + DAM_GOG_{k,h}^m$$

Where:

- a. 'M' is the set of all *delivery points* 'm' and *intertie metering points* 'i'.
- b. $Imp_DAM_MWP_{k,h}^{i,p2}$ is as calculated in accordance with section 4.14.6;
- c. $Imp_DAM_MWP_{k,h}^{i,p1}$ is as calculated in accordance with section 4.14.7;
and

d. $DAM_GOG_{k,h}^m$ is the $DAM_GOG_{k,h}^m$ calculated in accordance with section 4.4 for the *GOG-eligible resources* scheduled in Pass 2: Reliability Scheduling and Commitment but were not scheduled in Pass 1: Market Commitment and Market Power Mitigation Pass.

4.14.6 The IESO shall calculate the *day-ahead market* make-whole payment disbursed to *boundary entity resources* with import transactions that were scheduled in Pass 2: Reliability Scheduling and Commitment ($Imp_DAM_MWP_{k,h}^{i,p2}$) as follows:

$$Imp_DAM_MWP_{k,h}^{i,p2} = Max[0, DAM_COMP1_{k,h}^i + DAM_COMP2_{k,h}^i]$$

Where:

- $DAM_COMP1_{k,h}^i = -1 \times [OP(DAM_LMP_h^i, DAM_QSI_{k,h}^{i,p2}, DAM_BE_{kh}^i) - OP(DAM_LMP_h^i, DAM_EOP_{k,h}^i, DAM_BE_{kh}^i)]$
- $DAM_COMP2_{k,h}^i = -1 \times \sum_R [OP(DAM_PROR_{r,h}^i, DAM_QSOR_{r,k,h}^{i,p2}, DAM_BOR_{r,k,h}^i) - OP(DAM_PROR_{r,h}^i, DAM_EOP_{r,k,h}^i, DAM_BOR_{r,k,h}^i)]$

4.14.7 The IESO shall calculate the *day-ahead market* make-whole payment disbursed to *boundary entity resources* with import transactions that were scheduled in Pass 1: Market Commitment and Market Power Mitigation Pass ($Imp_DAM_MWP_{k,h}^{i,p1}$) as follows:

$$Imp_DAM_MWP_{k,h}^{i,p1} = Max[0, DAM_COMP1_{k,h}^i + DAM_COMP2_{k,h}^i]$$

Where:

- $DAM_COMP1_{k,h}^i = -1 \times [OP(DAM_LMP_h^i, DAM_QSI_{k,h}^{i,p1}, DAM_BE_{kh}^i) - OP(DAM_LMP_h^i, DAM_EOP_{k,h}^i, DAM_BE_{kh}^i)]$
- $DAM_COMP2_{k,h}^i = -1 \times \sum_R [OP(DAM_PROR_{r,h}^i, DAM_QSOR_{r,k,h}^{i,p1}, DAM_BOR_{r,k,h}^i) - OP(DAM_PROR_{r,h}^i, DAM_EOP_{r,k,h}^i, DAM_BOR_{r,k,h}^i)]$

Fuel Cost Compensation Uplift

4.14.8 The fuel cost compensation uplift *settlement amount* will be calculated and collected from the *market participants* for *load resources* and *boundary entity resources* engaged in export transactions for each *energy market billing period* in which the IESO applies the fuel cost compensation *settlement amount* in accordance with section 4.11. The fuel cost compensation uplift *settlement amount* for *market participant 'k'* for the relevant *energy market billing period* ("FCCU_k") shall be determined as follows:

$$FCCU_k = -1 \times \sum_K^M FCC_k^m \times \sum_H^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t}) / \sum_{K,H}^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t})$$

Where:

- a. FCC_k^m is the fuel cost compensation settlement amount calculated in accordance with sections 4.11 for market participant 'k' at delivery point 'm';
- b. 'M' is the set of all delivery points 'm' and intertie metering points 'i'; and
- c. 'H' is the set of all settlement hours 'h' in the energy market billing period.

Mitigation Amount for Physical Withholding Uplift

4.14.9 The ex-post mitigation for physical withholding settlement charge uplift settlement amount will be calculated and disbursed to the market participants for load resources and boundary entity resources engaged in export transactions for each trading day in which the IESO applies the mitigation for physical withholding settlement amount, in accordance with section 5.5. The ex-post mitigation physical withholding settlement charge uplift settlement amount for market participant 'k' for the relevant trading day ("EXP_PWSU_k") shall be determined as follows:

$$EXP_PWSU_k = -1 \times \sum_K^M (EXP_PWSC_k^m) \times \sum_H^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t}) / \sum_{K,H}^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t})$$

Where:

- a. EXP_PWSC_k^m is the mitigation for physical withholding settlement amount calculated in accordance with sections 5.4 for market participant 'k' at delivery point 'm';
- b. 'M' is the set of all delivery points 'm' and intertie metering points 'i'; and
- c. 'H' is the set of all settlement hours 'h' in the relevant trading day.

Mitigation Amount for Intertie Economic Withholding Uplift

4.14.10 The ex-post mitigation *economic withholding settlement charge uplift settlement amount* will be calculated and collected from the *market participants for load resources and boundary entity resources* engaged in export transactions for each *energy market billing period* in which the IESO applies the mitigation for *economic withholding on uncompetitive interties settlement amount*, in accordance with section 5.9. The ex-post mitigation *economic withholding settlement charge uplift settlement amount* for *market participant 'k'* for the relevant *energy market billing period* ("EXP_EWSCU_k") shall be determined as follows:

$$EXP_EWSCU_k = \sum_K^M (EXP_EWSC_k^i) \times \sum_H^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t}) / \sum_{K,H}^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t})$$

Where:

- EXP_EWSC_kⁱ is the mitigation for *economic withholding on uncompetitive interties settlement amount* calculated in accordance with sections 5.5 for *market participant 'k'* at *intertie metering point 'i'*;
- 'M' is the set of all *delivery points 'm'* and *intertie metering points 'i'*; and
- 'H' is the set of all *settlement hours 'h'* in the relevant *trading day*.

Real-Time Ramp-Down Settlement Amount Uplift

4.14.11 The real-time ramp-down uplift *settlement amount* will be calculated and collected from the *market participants for load resources and boundary entity resources* engaged in export transactions for each *trading day* in which the IESO applies the ramp-down *settlement amount* in accordance with section 4.6. The real-time ramp-down uplift *settlement amount* for *market participant 'k'* for the relevant *trading day* ("RT_RDSA_k") shall be determined as follows:

$$RTRDSA_k = -1 \times \sum_K^{M,T} RT_RDSA_k^m \times \left[\sum_{K,H}^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t}) / \sum_K^{M,T} (AQEW_{k,h}^{m,t} + SQEW_{k,h}^{i,t}) \right]$$

Where:

- RT_RDSA_k^m is the real-time ramp-down *settlement amount* calculated in accordance with sections 4.6 for *market participant 'k'* at *delivery point 'm'*; and
- 'M' is the set of all *delivery points 'm'* and *intertie metering points 'i'*.

Additional Non-Hourly Uplifts

4.14.12 The *IESO* shall, at the end of each *energy market billing period*, recover from *market participants*, on a pro-rata basis across all allocated quantities of *energy* withdrawn at all *registered wholesale meters* and across all scheduled quantities of *energy* withdrawn at all *intertie metering points* during all *metering intervals* and *settlement hours* within that *energy market billing period*, any compensation, out-of-pocket expenses, costs, or reimbursements, as the case may be, paid or incurred in that *energy market billing period* by the *IESO* pursuant to:

- a. MR Ch.4 s.5.3.4;
- b. MR Ch.5 s.2.3.3A;
- c. MR Ch.5 s.5.3.4;
- d. MR Ch.5 s.6.7.4;
- e. MR Ch.5 s.8.2.6;
- f. MR Ch.7 s.8.4A.9;
- g. Section 2.2.17;
- h. Section 2.13.1; and
- i. Section 4.12.1.

4.14.13 The *IESO* shall, at the end of each *energy market billing period*, distribute to *market participants*, on a pro-rata basis across all allocated quantities of *energy* withdrawn at all *registered wholesale meters* and across all scheduled quantities of *energy* withdrawn at all *intertie metering points* during all *metering intervals* and *settlement hours* within that *energy market billing period*, any compensation, payments, or proceeds, as the case may be, received, recovered, or collected in that *energy market billing period* by the *IESO* pursuant to:

- a. MR Ch.3 s.6.6.10A.2;
- b. MR Ch.5 s.4.4A.1; and
- c. Section 2.13.1.

4.14.14 The *IESO* shall, at the end of each *energy market billing period*, recover from *market participants*, in the manner specified in the applicable *market manual*, the following amounts:

- a. any compensation for *capacity market participants* paid in that *energy market billing period* by the *IESO* pursuant to section 4.13; and
- b. any funds borrowed by the *IESO* and any associated interest costs incurred by the *IESO* in the preceding *energy market billing period* pursuant to section 6.16.6.2.

4.14.15 The *IESO* shall distribute to *market participants*, in the manner specified in the applicable *market manual*, the following amounts:

- a. any adjustments to *capacity market participant* payments pursuant to section 4.13.

Note: Existing section 5 – Market Power Mitigation: section 5.1 is being deleted in its entirety and replaced by new section 5 under the same title.

4.5. Market Power Mitigation

~~5.1 Settlement of Market Power Mitigation Rebate~~

5.1 Mitigation of Settlement Amounts

5.1.1 Notwithstanding sections 3.4, 3.5, 4.4, 4.5 and 4.6, the *IESO* shall conduct the mitigation process set out in section 5.1.2 for the following *settlement amounts* in the following order:

5.1.1.1 *day-ahead market make-whole payment settlement amount;*

5.1.1.2 *day-ahead market generator offer guarantee settlement amount;*

5.1.1.3 *real-time make-whole payment settlement amount;*

5.1.1.4 *real-time generator offer guarantee settlement amount; and*

5.1.1.5 *real-time ramp down settlement amount.*

5.1.2 Subject to section 5.1.4 and 5.1.5, where a *resource* which is otherwise eligible to receive a *settlement amount* referred to in section 5.1.1 fails a conduct test specified in section 2.4 or 3.4 of Appendix 9.4, as the case may be, for a *settlement hour* included within a period for which they were otherwise eligible to receive such *settlement amount*, the *IESO* shall calculate the applicable *settlement amount* in accordance with the following process:

5.1.2.1 First, the *IESO* shall calculate the *settlement amount* in accordance with the equations set out in sections 3.4, 3.5, 4.4, 4.5 and 4.6, as the case may be (the “initial *settlement amount*”).

5.1.2.2 Second, the *IESO* shall calculate the *settlement amount* in accordance with the equations set out in sections 3.4, 3.5, 4.4, 4.5 and 4.6, as

the case may be, except with the following substitutions for such *settlement hours* that failed the applicable conduct test, as applicable:

- a. $EMFC_DAM_BE_{k,h}^m$ shall replace $DAM_BE_{k,h}^m$;
- b. $EMFC_DAM_BOR_{r,k,h}^m$ shall replace $DAM_BOR_{r,k,h}^m$;
- c. $EMFC_DAM_BE_SU_{k,h}^m$ shall replace $DAM_BE_SU_{k,h}^m$;
- d. $EMFC_DAM_SNL_{k,h}^m$ shall replace $DAM_SNL_{k,h}^m$;
- e. $EMFC_RT_BE_{k,h}^m$ shall replace $RT_BE_{k,h}^m$;
- f. $EMFC_RT_BOR_{r,k,h}^m$ shall replace $RT_BOR_{r,k,h}^m$;
- g. $EMFC_RT_SU_{k,h}^m$ shall replace $RT_SU_{k,h}^m$; and
- h. $EMFC_RT_SNL_{k,h}^m$ shall replace $RT_SNL_{k,h}^m$;
- i. for greater certainty, the aforementioned substitutions shall also apply to the calculation of the following, including the intermediate variables necessary to derive the following:
 - i. $DAM_MWP_DIPC_{k,h}^c$;
 - ii. $DAM_MWP_DIPC_{r,k,h}^c$;
 - iii. $DAM_MWP_DIPC_{k,h}^s$;
 - iv. $DAM_MWP_DIPC_{r,k,h}^s$; and
 - v. the assessment of the condition set out in section 3.4.13.5.3.

(the "EMFC *settlement amount*")

5.1.2.3 Third, the IESO shall determine the final applicable *settlement amount* in accordance with the following:

- a. where the initial *settlement amount* is greater than the EMFC *settlement amount* multiplied by the applicable mitigation impact threshold, then the EMFC *settlement amount* shall apply;
- b. otherwise, the initial *settlement amount* shall apply;
- c. the applicable mitigation impact threshold will be determined as follows:

- i. where the *resource* failed a *narrow constrained area* conduct test, the applicable mitigation impact threshold is 1.1;
 - ii. where the *resource* failed a *dynamic constrained area* conduct test, the applicable mitigation impact threshold is 1.1;
 - iii. where the *resource* failed a broad constrained area conduct test, the applicable mitigation impact threshold is 1.2;
 - iv. where the *resource* failed a global market power conduct test for *energy*, the applicable mitigation impact threshold is 1.2;
 - v. where the *resource* failed a *reliability* conduct test, the applicable mitigation impact threshold is 1.0;
 - vi. where the *resource* failed a local market power conduct test for *operating reserve*, the applicable mitigation impact threshold is 1.0; and
 - vii. where the resource failed a global market power conduct test for *operating reserve*, the applicable mitigation impact threshold is 1.1;
- d. notwithstanding section 5.1.2.3(a), where:
 - i. the relevant *resource* is subject to a global market power mitigation conduct test for *energy*, as outlined in section 3.3.5 of Appendix 9.4;
 - ii. of the conditions outlined in Appendix 9.4 ss. 3.3.5.1, 3.3.5.2, and 3.3.5.3, only the condition outlined in section 3.3.5.2 Appendix 9.4 is met; and
 - iii. the initial *settlement amount* is less than or equal to \$15,000, then the initial *settlement amount* shall apply; and
- e. notwithstanding section 5.1.2.3(a), where:
 - i. the relevant *resource* is subject to a global market power mitigation conduct test for *operating reserve*, as outlined in section 3.3.8 of Appendix 9.4;

- ii. of the conditions outlined in Appendix 9.4 ss. 3.3.8.1, 3.3.8.2, and 3.3.8.3, only the condition outlined in section 3.3.8.2 Appendix 9.4 is met;
- iii. and the initial *settlement amount* is less than or equal to \$15,000,

then the initial *settlement amount* shall apply.

5.1.3 Where a *resource* which is otherwise eligible to receive a *settlement amount* referred to in section 5.1.1 does not fail any applicable conduct tests specified in section 2.4 or 3.4 of Appendix 9.4, as the case may be, for a *settlement hour* in which they were otherwise eligible to receive such *settlement amount*, the *IESO* shall calculate the applicable *settlement amount* in accordance with the equations set out in sections 3.4, 3.5, 4.4, 4.5 and 4.6, as the case may be.

5.1.4 Notwithstanding section 5.1.2, no substitutions shall be made pursuant to section 5.1.2 for:

- a. *boundary entity resources* in regards to any *settlement amount*,
- b. *dispatchable loads* and *dispatchable electricity storage resource* that is withdrawing in determining the real-time make-whole payment *settlement amount* and the *day-ahead market* make-whole payment *settlement amount* each as they relate to *energy*. For greater certainty, these substitutions will be made as they pertain to the *operating reserve* elements of such *settlement amounts*; and
- c. hydroelectric *generation resources* in determining the *day-ahead market* make-whole payment in accordance with section 3.4.13.4 for *settlement hours* that fall within period 'Hp'.

5.1.5 Notwithstanding section 5.1.2 but subject to section 5.1.4, the *IESO* shall apply the process set out in section 5.1.2 with the following alterations in the following circumstances:

- a. where a *resource* is otherwise eligible to receive the ramp-down *settlement amount*, the *IESO* shall calculate the applicable ramp-down *settlement amount* in accordance with section 5.1.2 when the *resource* fails a conduct test specified in section 2.4 or 3.4 of Appendix 9.4, as the case may be, for the *settlement hour* determined in accordance with the applicable *market manual*; and
- b. where a hydroelectric *generation resource* is eligible for a *day-ahead market* make-whole payment in accordance with section 3.4.13.4, the *IESO* shall apply the process set out in section 5.1.2 to each *settlement hour* within the period 's' to determine the hourly data to use in the

final calculation of the *day-ahead market make-whole payment settlement amount* for such *resource*.

5.2 Day-Ahead Market Reference Level Settlement Charge

5.2.1 The *day-ahead market reference level settlement charge settlement amount* for market participant 'k' at delivery point 'm' in settlement hour 'h' ($DAM_RLSC_{k,h}^m$) shall be calculated in each instance a *dispatchable generation resource* or *dispatchable electricity storage resource* that is injecting meets the conditions set out in section 5.2.1.1 and collected from the *market participant* for such *resources* as follows:

$$DAM_RLSC_{k,h}^m = -1 \times DAM_QSI_{k,h}^m \times (DAM_LMP_h^m - DAM_PLCP_{k,h}^m) \times PM_RLSC_{mcepw}$$

Where:

- a. $DAM_PLCP_{k,h}^m$ is the price component P_n of N-by-2 matrix ($DAM_RLL_{k,h}^m$) of *price quantity pairs* where 'n' is the highest indexed row of the matrix such that $DAM_QSI_{k,h}^m \leq Q_n$; and
- b. PM_RLSC_{mcepw} is the persistence multiplier for *market control entity for physical withholding 'mcepw'* of the relevant *resource* for the relevant *settlement hour*, determined as the number of *trading days* in which any *resource* associated with the *market control entity for physical withholding* is subject to a *day-ahead market reference level settlement charge settlement amount* or a *real-time market reference level settlement charge settlement amount* within the last 18 months, up to a maximum of 3.

Conditions

5.2.1.1 The IESO shall apply the *day-ahead market reference level settlement charge* for each *settlement hour* for which a *resource* meets all of the following conditions:

$$5.2.1.1.1 \quad DAM_PHCP_{k,h}^m \geq DAM_LMP_h^m;$$

a. Where:

$DAM_PHCP_{k,h}^m$ is the price component P_n of N-by-2 matrix ($DAM_RLH_{k,h}^m$) of *price quantity pairs* where 'n' is the highest indexed row of the matrix such that $DAM_QSI_{k,h}^m \leq Q_n$.

$$5.2.1.1.2 \quad DAM_LMP_h^m > DAM_PLCP_{k,h}^m;$$

5.2.1.1.3 where the *registered market participant* for such *resource* requested a change to its fuel cost component for the *day-ahead market* in accordance with MR Ch.7 ss.22.5.5 and 22.5.7.1, the *IESO* is not satisfied that the fuel cost component will not reflect the *resource's short-run marginal costs* for fuel in one or more hours of a *dispatch day*, and

5.2.1.1.4 where the *registered market participant* for such *resource* requested to use its higher cost profile *reference levels* for the *day-ahead market* in accordance with MR Ch.7 ss.22.5.6 and 22.5.7.1, the *registered market participant* for such *resource* failed to provide the documentation required pursuant to MR Ch.7 s.22.5.11 within two *business days* of the *trading day* for which the request was made or the *IESO* is not satisfied that the *resource* needed to use the set of *reference levels* associated with the profile with the highest costs.

5.2.1.2 Where a *resource* is subject to the conduct test captured in section 2.4 of Appendix 9.4 for the relevant *settlement hour*, the *IESO* shall apply such conduct tests in accordance with the following:

- a. if the conditions set out in sections 5.2.1.1.1, 5.2.1.1.2, and 5.2.1.1.3 are met, the *IESO* will utilize the *resource's reference level value* without taking into account the requested fuel cost change;
- b. if the conditions set out in sections 5.2.1.1.1, 5.2.1.1.2, and 5.2.1.1.4 are met, the *IESO* will utilize the *resource's lower cost profile reference level values*, and
- c. if the conditions set out in sections 5.2.1.1.1, 5.2.1.1.2, 5.2.1.1.3 and 5.2.1.1.4 are all met, the *IESO* will utilize the *resource's lower cost profile reference level values* without taking into account the requested fuel cost change.

5.3 Real-Time Market Reference Level Settlement Charge

5.3.1 The *real-time market reference level settlement charge settlement amount* for *market participant 'k'* at *delivery point 'm'* in *settlement hour 'h'* (" $RT\ RLSC_{k,h}^{m}$ ") shall be calculated in each instance a *dispatchable generation resource* or *dispatchable electricity storage resource* that is injecting meets the conditions set

out in section 5.3.1.1 and collected from the *market participant* for such *resources* as follows:

$$RT_RLSC_{k,h}^m = -1 \times \sum^T (RT_QSI_{k,h}^{m,t} \times (RT_LMP_h^{m,t} - RT_PLCP_{k,h}^m) \times PM_RLSC_{mcepw}^{\square})$$

Where:

- a. $RT_PLCP_{k,h}^m$ is the price component P_n of N-by-2 matrix $(RT_RLL_{k,h}^m)$ of *price-quantity pairs* where 'n' is the highest indexed row of the matrix such that $RT_QSI_{k,h}^m \leq Q_n$; and
- b. PM_RLSC_{mcepw} is the persistence multiplier for *market control entity for physical withholding* 'mcepw' of the relevant *resource* for the relevant *settlement hour*, determined as the number of *trading days* in which any *resource* associated with the *market control entity for physical withholding* is subject to a *day-ahead market reference level settlement charge settlement amount* or a *real-time market reference level settlement charge settlement amount* within the last 18 months, up to a maximum of 3.

Conditions

5.3.1.1 The *IESO* shall apply the *real-time market reference level settlement charge* each *settlement hour* for which a *resource* meets all of the following conditions for any *metering interval* within the *settlement hour*:

5.3.1.1.1 $RT_PHCP_{k,h}^m \geq RT_LMP_h^{m,t}$;

a. Where:

$RT_PHCP_{k,h}^m$ is the price component P_n of N-by-2 matrix $(RT_RLH_{k,h}^m)$ of *price-quantity pairs* where 'n' is the highest indexed row of the matrix such that $RT_QSI_{k,h}^m \leq Q_n$;

5.3.1.1.2 $RT_LMP_h^{m,t} > RT_PLCP_{k,h}^m$;

5.3.1.1.3 where the *registered market participant* for the *resource* has requested a change to its fuel cost component for the *real-time market* in accordance with MR Ch.7 ss.22.5.5 and 22.5.7.2, the *IESO* is not satisfied that the fuel cost component will not reflect the *resource's short-run marginal costs* for fuel in one or more hours of a *dispatch day*; and

5.3.1.1.4 where the *registered market participant* for the *resource* has requested to use its higher cost profile *reference levels* for the *real-time market* in accordance with MR Ch.7 ss.22.5.6 and 22.5.7.2, the *registered market participant* for such *resource* failed to provide the documentation required pursuant to MR Ch.7 s.22.5.11 within two *business days* of the *trading day* for which the request was made or the *IESO* is not satisfied that the *resource* needed to use the set of *reference levels* associated with the profile with the highest costs.

5.3.1.2 Where a *resource* is subject to the conduct test captured in Appendix 9.4 s.3.4 for the relevant *settlement hour*, the *IESO* shall apply such conduct tests in accordance with the following:

- a. if the conditions set out in sections 5.3.1.1.1, 5.3.1.1.2, and 5.3.1.1.3 are met, the *IESO* will utilize the *resource's reference level value* without taking into account the requested fuel cost change;
- b. if the conditions set out in sections 5.3.1.1.1, 5.3.1.1.2, and 5.3.1.1.4 are met, the *IESO* will utilize the *resource's lower cost profile reference level values*, and
- c. if the conditions set out in sections 5.3.1.1.1, 5.3.1.1.2, 5.3.1.1.3, and 5.3.1.1.4 are all met, the *IESO* will utilize the *resource's lower cost profile reference level values* without taking into account the requested fuel cost change.

5.4 Ex-Post Mitigation for Physical Withholding

5.4.1 The ex-post mitigation for *physical withholding settlement amount* for *energy* and *operating reserve* shall be calculated for each *trading day* for which the *IESO* issues a second notice of *physical withholding* pursuant to MR Ch.7 s.22.15.26. The mitigation for *physical withholding settlement amount* for *energy* or *operating reserve* shall be calculated and collected from such *market participant 'k'* for such *resource* at *delivery point 'm'* for such *trading day* ($EXP_PWSC_k^m$) as follows:

$$EXP_PWSC_k^m = -1 \times (PW_E_k^m + PW_OR_k^m)$$

Where:

- a. $PW_E_k^m$ is determined in accordance with section 5.4.1.1; and
- b. $PW_OR_k^m$ is determined in accordance with section 5.4.1.2.

5.4.1.1 The IESO shall determine $PW_E_k^m$ as follows:

$$PW_E_k^m = \sum^H \text{Max}(DAM_PW_{k,h}^m, RT_PW_{k,h}^m) \times PM_PW_{mcepw}$$

Where:

- a. 'H' is the set of settlement hours 'h' of the trading day for which the IESO determined that the market participant engaged in physical withholding in either the day-ahead market or the real-time market;
- b. PM_PW_{mcepw} is the persistence multiplier applicable to the relevant trading day for the market control entity for physical withholding 'mcepw' that the registered market participant for the applicable resource designated, as determined in accordance with the applicable market manual;
- c. $DAM_PW_{k,h}^m = 1.5 \times (MW\text{hs Failed}_{k,h}^m) \times (DAM_LMP_{k,h}^m)$

Where:

- i. 'h' is the settlement hour in the relevant trading day for which the IESO determined that the market participant engaged in physical withholding in the day-ahead market; and
- ii. 'MWhs Failed_{k,h}^m' is the quantity of energy (in MWhs) for market participant 'k' at delivery point 'm' for settlement hour 'h', as determined in accordance with the following:
 - a. if the IESO is assessing physical withholding in only the real-time market, it is deemed to be zero; and
 - b. otherwise, it is determined by subtracting the market participant's energy offer from the energy reference quantity value or alternate reference quantity value, as the case may be, of the resource associated with the offer.

$$d. \quad RT_PW_{k,h}^m = 1.5 \times \sum^T (MWhs \text{ Failed}_{k,h}^{m,t}) \times (RT_LMP_{k,h}^{m,t})$$

Where:

- i. 'T' is the set of all metering intervals 't' in settlement hour 'h' for which the IESO determined that the market participant engaged in physical withholding in the real-time market; and
- ii. 'MWhs Failed_{k,h}^{m,t}' is the quantity of energy (in MWhs) for market participant 'k' at delivery point 'm' in metering interval 't' of settlement hour 'h', as determined by subtracting the market participant's energy offer from the energy reference quantity value of the resource associated with the offer.

5.4.1.2 The IESO shall determine $PW_OR_k^m$ as follows:

$$PW_OR_k^m = \sum^H \text{Max}(DAM_PW_{k,h}^m, RT_PW_{k,h}^m) \times PM_PW_{mce}$$

Where:

- a. 'H' is the set of settlement hours 'h' of the trading day for which the IESO determined that the market participant engaged in physical withholding in either the day-ahead market or the real-time market;
- b. PM_PW_{mce} is the persistence multiplier applicable to the relevant trading day for the market control entity for physical withholding 'mce' for the applicable resource designated, as determined in accordance with the applicable market manual;
- c. $DAM_PW_{k,h}^m = 1.5 \times \sum_R (MWhs \text{ Failed}_{r,k,h}^m \times DAM_PROR_{r,h}^m)$

Where:

- i. 'h' is the settlement hour in the relevant trading day for which the IESO determined that the market participant engaged in physical withholding in the day-ahead market; and
- ii. 'MWhs Failed_{r,k,h}^m' is the quantity of class r reserve (in MWhs) for market participant 'k' at delivery point 'm' for settlement hour 'h', as determined by subtracting the

market participant's operating reserve offer from the operating reserve reference quantity value of the resource associated with the offer.

$$d. RT_PW_{k,h}^m = 1.5 \times \sum_{r \in T} (MWs\ Failed_{r,k,h}^{m,t} \times RT_PROR_{r,h}^{m,t})$$

Where:

- i. 'T' is the set of all the metering intervals 't' in settlement hour 'h' for which the IESO determined that the market participant engaged in physical withholding in the real-time market; and
- ii. 'MWs Failed_{r,k,h}^{m,t}' is the quantity of class r reserve (in MWs) for market participant 'k' at delivery point 'm' in metering interval 't' of settlement hour 'h', as determined by subtracting the market participant's operating reserve offer from the operating reserve reference quantity value of the resource associated with the offer.

5.5 Ex-Post Mitigation for Economic Withholding on Uncompetitive Interties

5.5.1 The ex-post mitigation for economic withholding on uncompetitive interties settlement amount for energy and operating reserve shall be calculated for each trading day for which the IESO issues a second notice of economic withholding pursuant to MR Ch.7 s.22.19.8. The mitigation for economic withholding on uncompetitive interties settlement amount for energy and operating reserve shall be calculated and collected from such market participant 'k' at intertie metering point 'i' for the relevant trading day ('EXP_EWSC_kⁱ') as follows:

$$EXP_EWSC_k^i = -1 \times (EW_E_k^i + EW_MWP_k^i + EW_OR_k^i)$$

Where:

- a. EW_E_kⁱ is determined in accordance with section 5.5.1.1;
- b. EW_MWP_kⁱ is determined in accordance with section 5.5.1.2; and
- c. EW_OR_kⁱ is determined in accordance with section 5.5.1.3.

5.5.1.1 The IESO shall determine EW_E_kⁱ as follows:

$$EW_E_k^i = \sum^H \text{Max}(DAM_EWUI_{k,h}^i, RT_EWUI_{k,h}^i)$$

Where:

a. 'H' is the set of settlement hours 'h' of the trading day for which the IESO determined that the market participant engaged in *intertie economic withholding* in the *day-ahead market*, the *real-time market*, or both;

b. $DAM_EWUI_{k,h}^i = (MWhs\ Failed_{k,h}^i) \times DAM_LMP_{k,h}^i$

Where:

i. 'h' is the settlement hour for which the IESO determined that the market participant engaged in *intertie economic withholding* in the *day-ahead market*, and

ii. 'MWhs Failed_{k,h}ⁱ' is the quantity of energy (in MWhs) for market participant 'k' at *intertie metering point 'i'* for settlement hour 'h', as determined by subtracting the market participant's energy offer from the energy reference quantity value of the resource associated with the offer.

c. $RT_EWUI_{k,h}^i = \sum^T (MWhs\ Failed_{k,h}^{i,t}) \times (RT_LMP_{k,h}^{i,t})$

Where:

i. 'T' is the set of all metering intervals 't' in settlement hour 'h' for which the IESO determined that the market participant engaged in *intertie economic withholding* in the *real-time market*; and

ii. 'MWhs Failed_{k,h}^{i,t}' is the quantity of energy (in MWhs) for market participant 'k' at *intertie metering point 'i'* for settlement hour 'h', as determined by subtracting the market participant's energy offer from the energy reference quantity value of the resource associated with the offer.

5.5.1.2 The IESO shall determine $EW_MWP_k^i$ as follows:

$$EW_MWP_k^i = \sum^H (DAM_MWP_{k,h}^i - IRL_DAM_MWP_{k,h}^i) + (RT_MWP_{k,h}^i - IRL_RT_MWP_{k,h}^i) + (RT_IOG_{k,h}^i - IRL_RT_IOG_{k,h}^i)$$

Where:

- a. 'H' is the set of *settlement hours* 'h' of the *trading day* for which the *IESO* determined that the *market participant* engaged in *intertie economic withholding* in the *day-ahead market*, the *real-time market*, or both;
- b. $IRL_DAM_MWP_{k,h}^i$ is the *day-ahead market* make-whole payment amount calculated in accordance with section 3.4 utilizing the *resource's intertie reference level value* that was used by the *IESO* to assess *intertie economic withholding* in accordance with MR Ch.7 s.22.18;
- c. $IRL_RT_MWP_{k,h}^i$ is the real-time make-whole payment amount calculated in accordance with section 3.5 utilizing the *resource's intertie reference level value* that was used by the *IESO* to assess *intertie economic withholding* in accordance with MR Ch.7 s.22.18; and
- d. $IRL_RT_IOG_{k,h}^i$ is the real-time *intertie offer* guarantee amount calculated in accordance with section 3.6 utilizing the *resource's intertie reference level value* that was used by the *IESO* to assess *intertie economic withholding* in accordance with MR Ch.7 s.22.18.

5.5.1.3 The *IESO* shall determine $EW_OR_k^i$ as follows:

$$EW_OR_k^i = \sum^H \text{Max}(DAM_EWUI_{k,h}^i, RT_EWUI_{k,h}^i)$$

Where:

- a. 'H' is the set of *settlement hours* 'h' of the *trading day* for which the *IESO* determined that the *market participant* engaged in *intertie economic withholding* in either the *day-ahead market* or the *real-time market*;
- b. $DAM_EWUI_{k,h}^i = \sum_R (MWS\ Failed_{r,k,h}^i \times DAM_PROR_{r,h}^i)$

Where:

- i. 'h' is the *settlement hour* for which the *IESO* determined that the *market participant* engaged in *intertie economic withholding* in the *day-ahead market*; and
- ii. ' $MWS\ Failed_{r,k,h}^i$ ' is the quantity of *class r reserve* (in MWS) for *market participant* 'k' at *intertie metering point* 'i' for

settlement hour 'h', as determined by subtracting the market participant's operating reserve offer from the operating reserve reference quantity value of the resource associated with the offer.

$$c. RT_EWUI_{k,h}^i = \sum_R^T (MWs\ Failed_{r,k,h}^{i,t} \times RT_PROR_{r,h}^{i,t})$$

Where:

- i. 'T' is the set of all metering intervals 't' in settlement hour 'h' for which the IESO determined that the market participant engaged in *intertie economic withholding* in the real-time market, and
- ii. 'MWs Failed_{r,k,h}^{i,t}' is the quantity of class r reserve (in MWs) for market participant 'k' at *intertie metering point 'i'* for metering interval 't' in settlement hour 'h', as determined by subtracting the market participant's operating reserve offer from the operating reserve reference quantity value of the resource associated with the offer.

5.6. Settlement Statements

6.1 Communication of Settlement Information

- 6.1.1 All communications between *market participants* and the *IESO* relating to the *settlement process* shall be effected using the *electronic information system* and other such means of communication as may be specified in applicable *market manuals*.
- 6.1.2 If there is a failure of a communication system and it is not possible to communicate in accordance with the *electronic information system* or where applicable, the means of communication specified in the applicable *market manuals*, then the *IESO* or the *market participant*, as the case may be, shall communicate information relating to the *settlement process* by ~~facsimile or~~ other alternative means specified by the *IESO*.

6.2 Settlement Schedule and Payments Calendar

- 6.2.1 By November 1 of each year, the *IESO* shall *publish* the *IESO Settlement Schedule & Payments Calendar* or *SSPC* for the following calendar year showing the dates referred to in sections 6.3.2 to 6.3.23 as fixed dates within such calendar year.
- 6.2.2 If the *IESO* becomes aware of any change required to the *SSPC*, the *IESO* shall *publish* an updated *SSPC* to reflect the necessary changes. The *IESO* shall use reasonable efforts to provide *market participants* with at least two weeks' notice of any changes to the *SSPC*.
- 6.2.3 The *SSPC* is *published* by the *IESO* for *market participant* ease of reference and the applicable dates that are binding on the *IESO* and *market participants* are the dates determined in accordance with sections 6.3.1 to 6.3.23. Notwithstanding anything to the contrary, any reference in these *market rules* to the *SSPC* shall be deemed to be references to the dates specified in accordance with sections 6.3.1 to 6.3.23.

6.3 Settlement Cycles

- 6.3.1 Subject to section 6.3.24 to 6.3.33, section 6.3.2 to 6.3.23 set out the applicable dates for the *settlement process* and issuance of *settlement statements* and *invoices*.

TR Auctions

- 6.3.2 The *preliminary settlement statement* for each *trading day* for all rounds of any *TR auction* that is concluded on such *trading day* shall be issued two *business days* after the *trading day*.
- 6.3.3 After the *preliminary settlement statement* referred to in section 6.3.2 is issued, each *market participant* shall have two *business days* in which to notify the *IESO* of errors or omissions in the *preliminary settlement statement* in accordance with section 6.8.
- 6.3.4 The *final settlement statement* for each *trading day* for all rounds of any *TR auction* that is concluded on such *trading day* shall be issued six *business days* after the *trading day*.
- 6.3.5 After the *final settlement statement* referred to in section 6.3.4 is issued, each *market participant* shall have two *business days* in which to notify the *IESO* of errors or omissions in the *final settlement statement* in accordance with section 6.8.
- 6.3.6 Where an adjustment is required pursuant to sections 6.8.9.2(b), 6.8.9.2(c), 6.9.1.2(b), 6.9.1.2(c), or 6.10.4.1(a) or as otherwise required, *recalculated settlement statements* for each *trading day* for all rounds of any *TR auction* that is concluded on such *trading day* shall be issued at the following times:
- a. 6.3.6.1 the first *recalculated settlement statement* shall, where applicable, be issued on the last *business day* of the month immediately following the month of the *trading day* to which the *recalculated settlement statement* relates;
 - b. 6.3.6.2 the *final recalculated settlement statement* shall be issued on the last *business day* of the month that is 22 months after the month of the *trading day* to which the *final recalculated settlement statement* relates. For greater certainty, the *IESO* shall always issue the *final recalculated settlement statement*; and
 - c. 6.3.6.3 notwithstanding the foregoing, and at the *IESO's* sole discretion, the *IESO* may issue, either in lieu of or in addition to the *recalculated settlements statement* referred to in section 6.3.6(a)-(b). 1 and section 6.3.6.2, an ad hoc *recalculated settlement statement* at any time up to and including the scheduled date to issue the *final recalculated settlement statement* for the relevant *trading day*. An ad hoc *recalculated settlement statement* may relate to any *trading day* in the preceding 23-month period.

- 6.3.7 After a *recalculated settlement statement* referred to in section 6.3.6 is issued, each *market participant* shall have two *business days* in which to notify the *IESO* of errors or omissions in the *recalculated settlement statement* in accordance with section 6.8.
- 6.3.8 The *IESO* shall issue one invoice to each *market participant*, covering all *trading days* within a *billing period*, on the same *business day* it issues the *final settlement statement* for the last *trading day* of that *billing period*.
- 6.3.9 The *market participant payment date* for all rounds of any *TR auction* that is concluded during such *billing period* shall be the second *business day* following the issuance of the *invoice*.
- 6.3.10 Each *market participant* shall initiate the *electronic funds transfer* process in accordance with the provisions of section 6.14 so as to ensure that the *market participant's* payments in respect of all rounds of any *TR auction* that is concluded in each *billing period* reach the *IESO settlement clearing account* no later than the *close of banking business* (of the bank at which the *IESO settlement clearing account* is held) on the *market participant payment date*.
- 6.3.11 The *IESO payment date* for all rounds of any *TR auction* that is concluded during such *billing period* shall be the second *business day* after the corresponding *market participant payment date*.
- 6.3.12 The *IESO* shall initiate the *electronic funds transfer* process in accordance with the provisions of section 6.14 so as to ensure that the sums owing to each *market participant* in respect of all rounds of any *TR auction* that is concluded in each *billing period* reach each *market participant's settlement account* no later than the *close of banking business* (of the bank at which the *market participant's settlement account* is held) on the *IESO payment date*.

Day-Ahead Market and Real-Time Markets

- 6.3.13 The *preliminary settlement statement* for each *trading day* in the *day-ahead market*, *real-time market* and in the *TR market*, other than in respect of the element referred to in section 6.3.2, shall be issued ten *business days* after the *trading day*.
- 6.3.14 After the *preliminary settlement statement* referred to in section 6.3.13 is issued, each *market participant* shall have six *business days* to notify the *IESO* of errors or omissions in the *preliminary settlement statement* in accordance with section 6.8.
- 6.3.15 The *final settlement statement* for each *trading day* in the *day-ahead market*, *real-time market* and in the *TR market*, other than in respect of the element

referred to in section 6.3.2, shall be issued ten *business days* after the issuance of the *preliminary settlement statement* for that *trading day*.

6.3.16 After the *final settlement statement* referred to in section 6.3.15 is issued, each *market participant* shall have six *business days* in which to notify the *IESO* of errors or omissions in the *final settlement statement* in accordance with section 6.8.

6.3.17 Where an adjustment is required pursuant to sections 6.8.9.2(b), 6.8.9.2(c), 6.9.1.2(b), 6.9.1.2(c), or 6.10.4.1(a) or as otherwise required, *recalculated settlement statements* for each *trading day* in the *day-ahead market*, *real-time market* and in the *TR market*, other than in respect of the element referred to in section 6.3.1, shall be issued at the following times:

6.3.17.1 the first *recalculated settlement statement* shall, where applicable, be issued on the same date as the *invoice* for the month that is one month after the month which contains the *trading day* to which the *recalculated settlement statement* relates. For greater certainty, the first *recalculated settlement statement* is issued on the same date for all the *trading days* of a given month;

6.3.17.2 the second *recalculated settlement statement* shall, where applicable, be issued on the same date as the *invoice* for the month that is two months after the month which contains the *trading day* to which the *recalculated settlement statement* relates. For greater certainty, the second *recalculated settlement statement* is issued on the same date for all the *trading days* of a given month;

6.3.17.3 the third *recalculated settlement statement* shall, where applicable, be issued on the same date as the *invoice* for the month that is five months after the month which contains the *trading day* to which the *recalculated settlement statement* relates. For greater certainty, the third *recalculated settlement statement* is issued on the same date for all the *trading days* of a given month;

6.3.17.4 the fourth *recalculated settlement statement* shall, where applicable, be issued on the same date as the *invoice* for the month that is eight months after the month which contains the *trading day* to which the *recalculated settlement statement* relates. For greater certainty, the fourth *recalculated settlement statement* is issued on the same date for all the *trading days* of a given month;

6.3.17.5 the fifth *recalculated settlement statement* shall, where applicable, be issued on the same date as the *invoice* for the month that is eleven months after the month which contains the *trading day* to

which the *recalculated settlement statement* relates. For greater certainty, the fifth *recalculated settlement statement* is issued on the same date for all the *trading days* of a given month;

6.3.17.6 the sixth *recalculated settlement statement* shall, where applicable, be issued on the same date as the *invoice* for the month that is seventeen months after the month which contains the *trading day* to which the *recalculated settlement statement* relates. For greater certainty, the sixth *recalculated settlement statement* is issued on the same date for all the *trading days* of a given month;

6.3.17.7 the *final recalculated settlement statement* shall be issued on the same date as the *invoice* for the month that is 23 months after the month which contains the *trading day* to which the *recalculated settlement statement* relates. ~~For greater certainty, the IESO shall always issue the *final recalculated settlement statement* and the *final recalculated settlement statement* is issued on the same date for all the *trading days* of a given month; and~~

~~h. 6.3.17.8~~ notwithstanding the foregoing, and at the IESO's sole discretion, the IESO may issue, either in lieu of or in addition to the *recalculated settlements statements* referred to in section ~~6.3.6(a)-(g)~~ 6.3.17.1 to section 6.3.17.7, an ad hoc *recalculated settlement statement* at any time up to and including the scheduled date to issue the *final recalculated settlement statement* for the relevant *trading day*. An ad hoc *recalculated settlement statement* may relate to any *trading day* that was first *invoiced* in the preceding 23-month period.

6.3.18 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 six *business days* in which to notify the IESO of errors or omissions in the *recalculated settlement statement* in accordance with section 6.8.

6.3.19 The IESO shall issue one *invoice* to each *market participant*, covering all *trading days* within a *billing period*, and such other information specified in accordance with section 6.12.1, on the same day it issues the *preliminary settlement statement* for the last *trading day* of that *billing period*.

6.3.20 The *market participant payment date* for each ~~*real-time market billing period* and *for each TR market billing period*~~ shall be the *second business day* following the issuance of the *invoice*.

6.3.21 Each *market participant* shall initiate the *electronic funds transfer* process in accordance with the provisions of section 6.14 so as to ensure that the *market*

participant's payments for each ~~real-time market billing period and for each TR market~~ billing period reach the *IESO settlement clearing account* no later than the *close of banking business* (of the bank at which the *IESO settlement clearing account* is held) on the *market participant payment date*.

6.3.22 The *IESO payment date* for each ~~real-time market billing period and for each TR market~~ billing period shall be the second *business day* after the *market participant payment date*.

6.3.23 The *IESO* shall initiate the *electronic funds transfer* process in accordance with the provisions of section 6.14 so as to ensure that the sums owing to each *market participant, forecasting entity, and to each transmitter* for each ~~real-time market billing period and for each TR market~~ billing period reach the *market participant's settlement account* or the *transmitter's transmission services settlement account*, as the case may be, no later than the *close of banking business* (of the bank at which the *market participant's settlement account* or the *transmitter's transmission services settlement account* is held) on the *IESO payment date*.

Delays

6.3.24 The *IESO* may delay the issuance of *settlement statements* for a *trading day* to a date later than that provided for in sections 6.3.2, 6.3.4, 6.3.6, 6.3.13, 6.3.15, and 6.3.17, as the case may be, where, in the *IESO's* opinion significant inaccuracies exist in the *settlement statements* such as to justify such delay.

6.3.25 Where the *IESO* delays the issuance of one or more *settlement statements* for a *trading day* pursuant to section 6.3.24:

6.3.25.1 the issuance of *settlement statements* for any immediately succeeding *trading days* that would otherwise be required pursuant to sections 6.3.2, 6.3.4, 6.3.6, 6.3.13, 6.3.15, and 6.3.17, as the case may be, to be issued prior to the date referred to in section 6.3.26.1 shall be delayed to that date or to such later date(s) as may be determined and *published* by the *IESO*; and

6.3.25.2 the date by which *market participants* must notify the *IESO* of errors or omissions in any delayed *settlement statements* for each of the *trading days* referred to in section 6.3.25.1 shall be delayed by the same number of days which the *settlement statement* to which the date relates is delayed.

6.3.26 Where the *IESO* delays the issuance of a *settlement statement* for a *trading day* pursuant to section 6.3.24, the *IESO* shall *publish* notice of such delay, which notice shall indicate:

- 6.3.26.1 the date on which such *settlement statement* shall be issued in lieu of the date referred to in sections 6.3.2, 6.3.4, 6.3.6, 6.3.13, 6.3.15, and 6.3.17, as the case may be;
 - 6.3.26.2 the date by which *market participants* must notify the *IESO* of errors or omissions in such *settlement statements*, determined in accordance with section 6.3.25.2; and
 - 6.3.26.3 whether the *IESO* intends to invoke the estimated *invoice* procedure referred to in section 6.3.27.
- 6.3.27 Where the *IESO* determines that it will be unable to issue *invoices* calculated in accordance with section 6.12.1 in respect of a given *energy market billing period* on or within one *business day* of the applicable date determined in accordance with section 6.3.8 or 6.3.19, the *IESO* shall, within two *business days* of the applicable date, issue to each *market participant* an estimated *invoice* for such *energy market billing period* in a net amount determined in accordance with section 6.3.29.
- 6.3.28 Where the *IESO* intends to invoke the estimated *invoice* procedure referred to in section 6.3.27 or to delay the issuance of *invoices* pursuant to section 6.3.33, the *IESO* shall *publish* a notice indicating whether the *IESO* intends, in accordance with section 6.3.31, to delay each of the *market participant payment date* and the *IESO payment date* associated with such *invoices* or estimated *invoices*.
- 6.3.29 The amount of an estimated *invoice* issued to a *market participant* pursuant to section 6.3.27 shall, subject to section 6.3.30, be equal to the aggregate of:
- 6.3.29.1 the net total amount for that *market participant* for all *trading days* that occurred during the *energy market billing period* prior to the date on which the issuance of *preliminary settlement statements* commenced to be delayed pursuant to section 6.3.24 or 6.3.25.1, as the case may be;
 - 6.3.29.2 for each *trading day* in the *energy market billing period* that occurred subsequent to the date referred to in section 6.3.29.1, the net total amount for that *market participant* as set forth in the *final settlement statements* issued to that *market participant* in the preceding *energy market billing period*, commencing with the *final settlement statement* issued for the last *trading day* of such preceding *energy market billing period* and using a number of *final settlement statements* equal to the number of *trading days* in the current *energy market billing period* occurring subsequent to the date referred to in section 6.3.29.1; and

- 6.3.29.3 for greater certainty, any net total amount for that *market participant* reflected on a *recalculated settlement statement* which would have otherwise been included on the *invoice* for the relevant *energy market billing period* shall not be reflected on the estimated *invoice*.
- 6.3.30 Where the data required to determine the amount of an estimated *invoice* in accordance with section 6.3.29 is not readily available at the relevant time, the *IESO* shall issue to each applicable *market participant* an estimated *invoice* in an amount equal to:
- 6.3.30.1 the net amount of the *invoice* issued to the *market participant* for the preceding *energy market billing period* minus any amounts on such *invoice* included on a *recalculated settlement statement*; or
- 6.3.30.2 zero, if no *invoice* was issued to the *market participant* for the preceding *energy market billing period*.
- 6.3.31 Where the *IESO* issues estimated *invoices* pursuant to section 6.3.28 or delays the issuance of *invoices* pursuant to section 6.3.33 in respect of a given *energy market billing period*, the *IESO* may, where the delay resulting in the need to issue an estimated *invoice* or to delay the issuance of the *invoices* has or is likely to have an adverse effect on the operation of the *IESO settlement clearing account*, delay each of the *market participant payment date* and the *IESO payment date* associated with such estimated *invoice* or delayed *invoice* by one *business day* relative to the periods referred to in sections 6.3.9 or 6.3.15, or sections 6.3.11 or 6.3.17, respectively.
- 6.3.32 Where the *IESO* issues to a *market participant* an estimated *invoice* in respect of a given *energy market billing period* pursuant to section 6.3.27, the *IESO* shall adjust the *invoice* issued to the *market participant* for the next *energy market billing period* to reflect any net difference between the amount of the estimated *invoice* and the amount that would have been set forth on the *market participant's invoice* had the *invoice* been calculated in accordance with section 6.12.1 rather than estimated in accordance with section 6.3.27, including adding any net amounts reflected on any *recalculated settlement statements* for the same *energy market billing period*.
- 6.3.33 Where the *IESO* determines that:
- 6.3.33.1 it will be unable to issue *invoices* calculated in accordance with section 6.12.1 in respect of a given *energy market billing period* on the applicable date specified in the accordance with sections 6.3.8 or 6.3.19 by reason of the delay in issuance of *settlement statements* referred to in section 6.3.24 or 6.3.25.1, or for any other reason; and

6.3.33.2 it is able to issue such *invoices* within one *business day* of the applicable date specified in accordance with sections 6.3.8 or 6.3.19 such that the estimated *invoice* procedure referred to in sections 6.3.27 to 6.3.32 does not apply,

the IESO may delay the issuance of such *invoices* for such *energy market billing period* for a period of up to one *business day* relative to the applicable date specified in accordance with sections 6.3.8 or 6.3.19, as the case may be.

6.4 Settlement Statement Process

6.4.1 The *IESO* shall issue *settlement statements* to each *market participant* to cover each *trading day* in accordance with sections ~~6.5, section 6.6 and section~~ 6.7, and shall provide the *settlement* data included in such *settlement statements* into the *settlement process*.

6.4.2 For each *settlement statement*, the *IESO* shall calculate a net *settlement amount* for each *market participant* for the *trading day*. The net *settlement amount* shall be comprised of:

6.4.2.1 the aggregate of the trading amounts from each transaction in each *settlement hour* in the *trading day*; and

6.4.2.2 the aggregate of the amounts for the purchase or sale of *TRs* in all rounds of any *TR auction* that is concluded on the *trading day*,

adjusted to reflect any fees payable by the *market participant* and any other adjustment amounts payable or receivable pursuant to these *market rules*.

6.4.3 The net *settlement amount* referred to in section 6.4.2 shall be a positive or negative dollar amount for each *market participant* and:

6.4.3.1 where the net *settlement amount* for a *market participant* is negative, the absolute value of the *settlement amount* shall be an amount payable by the *market participant* to the *IESO*; or

6.4.3.2 where the net *settlement amount* for a *market participant* is positive, the *settlement amount* shall be an amount receivable by the *market participant* from the *IESO*.

6.4.4 *Settlement statements* shall be considered issued to *market participants* when issued in accordance with the applicable *market manuals*.

- 6.4.5 It is the responsibility of each *market participant* to notify the *IESO* if it fails to receive a *preliminary settlement statement*, *final settlement statement*, or *final recalculated settlement statement* on the date specified for issuance of such *settlement statement* in accordance with sections 6.3.2 to 6.3.23 or, where applicable, on any of the dates referred to in section 6.3.25.1 and 6.3.26. Each *market participant* shall be deemed to have received such *settlement statements* on the relevant date specified in accordance with sections 6.3.2 to 6.3.23 or, where applicable, on any of the dates referred to in sections 6.3.25.1 and 6.3.26, unless it notifies the *IESO* to the contrary within two *business days* of the date specified for issuance of such *settlement statement* in accordance with sections 6.3.2 to 6.3.23.
- 6.4.6 In the event that a *market participant* notifies the *IESO* that it has failed to receive a *settlement statement* on the date specified for that *settlement statement* in accordance with sections 6.3.2 to 6.3.23 or, where applicable, on any of the dates referred to in sections 6.3.25.1 and 6.3.26, the *IESO* shall re-send issue such *settlement statement*, in which case the *settlement statement* shall be considered to have been received on the date the re-~~sent~~ issued *settlement statement* is sent to the *market participant*.

6.5 Preliminary Settlement Statement Coverage

- 6.5.1 The *IESO* shall issue to each *market participant* separate an individualized preliminary settlement statements to cover:
- 6.5.1.1 transactions in all rounds of any *TR auction* that is concluded on a given *trading day*, and
 - 6.5.1.2 transactions in the day-ahead market, real-time markets and in the *TR market*, other than in respect of the element referred to in section 6.5.1.1,
 - 6.5.1.3 any adjustments which may be required pursuant to the *market rules*, including section 6.8, section 6.9, matters identified in section 6.8.12.4, and the processes outlined in ~~section 10.4 of Chapter 6 and section 6C of Chapter 10~~ MR Ch.6 s.10.4 and MR Ch.10 s.6C;
 - 6.5.1.4 in accordance with the timelines set forth in sections 6.3.2, 6.3.13, 6.3.24 and 6.3.25.1, as may be applicable.
- 6.5.2 *Preliminary settlement statements* related to each *market participant* for all rounds of any *TR auction* that is concluded on a given *trading day* shall include, in electronic format, for each *settlement hour* of the relevant *trading day* or for each such *TR auction*, as the case may be, referenced by applicable *charge type*:

- 6.5.2.1 the ~~hourly Ontario energy price~~ applicable market price in that *settlement hour*;
 - 6.5.2.2 the payment for the *settlement hour*, either from the *market participant* to the *IESO*, or from the *IESO* to the *market participant*;
 - 6.5.2.3 all fees, charges, credits and payments applicable to the *market participant* in respect of the purchase or sale of a *TR* in all rounds of such *TR auction*; and
 - 6.5.2.4 for each ~~type of charge~~ charge type listed, the total *trading day's* charges and a *billing period*-to-date total.
- 6.5.3 *Preliminary settlement statements* related to each *market participant* for the day-ahead market, real-time markets and for the *TR market*, other than in respect of the element referred to in section 6.5.2, shall include the *settlement amounts*, prices and quantities described in section 6.5.4, presented as follows:
- 6.5.3.1 for each *hourly settlement amount* referred to in section 3, by *metering interval* or *settlement hour*, as the case may be, depending upon the manner of calculation of the *settlement amount* as described in section 3;
 - 6.5.3.2 for each non-hourly *settlement amount* referred to in section 4 or section 5 that is required to be calculated over or in respect of a given *billing period*, by *billing period*, provided that such non-hourly *settlement amounts* shall be included only in the *preliminary settlement statement* issued in respect of the last *trading day* of a *billing period*; and
 - 6.5.3.3 for each non-hourly *settlement amount*, other than those referred to in section 6.5.3.2, by *metering interval*, *settlement hour*, or *trading day*, as the case may be, depending upon the time period over or with respect to which the relevant *settlement amount* is required to be calculated pursuant to section 4, or section 5.
- 6.5.4 The *preliminary settlement statements* referred to in section 6.5.3 shall be in electronic format and shall set forth, for the *market participant* to whom the *preliminary settlement statement* is issued and referenced by applicable *charge type*:
- 6.5.4.1 the *energy* scheduled to be injected or withdrawn by each of that *market participant's* registered facilities resources as determined in each of the market day-ahead *schedule* and the *real-time schedule*.

- 6.5.4.2 the allocated quantities of *energy* withdrawn or injected by each of that *market participant's* ~~*registered facilities resources*~~.
- 6.5.4.3 the aggregate quantity of each class of *operating reserve* provided by each of that *market participant's* ~~*registered facilities resources*~~ as determined in each of ~~the market schedule and the real-time schedule~~ *the day-ahead schedule and the real-time schedule*.
- 6.5.4.4 the aggregate quantities or capacities, as the case may be, of each *contracted ancillary service* scheduled and provided from each of that *market participant's* ~~*registered facilities resources*~~;
- 6.5.4.5 the *physical bilateral contract quantities* for that *market participant*;
- 6.5.4.6 the availability payments to be made in each *billing period* under *reliability must-run contracts* to each of that *market participant's* *reliability must-run resources*;
- 6.5.4.7 details of performance incentive payments or penalties applicable to the *market participant*;
- 6.5.4.8 the applicable *energy market price* applying to each of that *market participant's* ~~*registered facilities resources*~~;
- 6.5.4.9 the applicable ~~5-minute price~~ market price for each class of *operating reserve* for each of that *market participant's* ~~*registered facilities resources*~~;
- 6.5.4.10 detailed calculations of applicable *transmission services charges*, and the *market participant's* share of these;
- 6.5.4.11 the total of each type of *contracted ancillary service* charges, and the *market participant's* share of these;
- 6.5.4.12 all *real-time market* fees, charges and payments credits applicable to the *market participant* and the basis for deriving those fees, charges or payments credits;
- 6.5.4.13 for each ~~type of charge~~ charge type listed, the total *trading day's* charges and credits and a *billing period*-to-date total; and
- 6.5.4.14 all *TR market* fees, charges, and credits ~~and payments~~ applicable to the *market participant*.

6.6 Final Settlement Statement Coverage

- 6.6.1 The *IESO* shall issue to each *market participant* separate *final settlement statements* to cover:
- 6.6.1.1 transactions in all rounds of any *TR auction* that is concluded on a given *trading day*;
 - 6.6.1.2 transactions in the *day-ahead market*, *real-time market* and in the *TR market*, other than in respect of the element referred to in section 6.6.1.1; and
 - 6.6.1.3 adjustments required pursuant to the *market rules*, including section 6.8, section 6.9, matters identified in section 6.8.12.4, and the processes outlined in ~~section 10.4 of Chapter 6 and section 6C of Chapter 10~~ MR Ch.6 s.10.4 and MR Ch.10 s.6C;
 - 6.6.1.4 in accordance with the timelines set forth in sections 6.3.4, 6.3.1~~54~~, 6.3.2~~45.1~~, and 6.3.2~~65~~.1, as may be applicable.
- 6.6.2 The *final settlement statement* shall be in the same form as the *preliminary settlement statement* and shall include all of the information provided in the *preliminary settlement statement*, as amended following the validation procedure set forth in section 6.8 and 6.9, where applicable.
- 6.6.3 In accordance with the provisions of sections 6.8.9, 6.8.11, 6.9.1.2, and 6.9.4, *final settlement statements* shall include any required adjustments as a credit or debit to each affected *market participant* resulting from *settlement* disagreements that have been resolved prior to the issue date of the applicable *final settlement statement*.
- 6.6.4 Each *market participant* that receives a *final settlement statement* is required to pay any net debit amount shown in the *final settlement statement* on the corresponding *market participant payment date* and shall be entitled to receive any net credit amount shown in the *final settlement statement* on the corresponding *IESO payment date*, whether or not there is any outstanding *settlement* disagreement regarding the amount of such debit or credit.

6.7 Recalculated Settlement Statement Coverage

- 6.7.1 The *IESO* shall, when applicable, issue to each *market participant* separate *recalculated settlement statements* to cover adjustments required pursuant to the *market rules*, including section 6.8, section 6.9, matters identified in section

6.8.12.4, and the processes outlined in ~~section 10.4 of Chapter 6 and section 6C of Chapter 10~~ MR Ch.6 s.10.4 and MR Ch.10 s.6C in respect of:

6.7.1.1 transactions in all rounds of any *TR auction* that is concluded on a given *trading day*, and

6.7.1.2 transactions in the *day-ahead market*, *real-time markets* and in the *TR market*, other than in respect of the element referred to in section 6.7.1.1,

6.7.1.3 in accordance with the timelines set forth in sections 6.3.6, 6.3.17, 6.3.245.1, and 6.3.256.1, as may be applicable.

6.7.2 The *recalculated settlement statement* shall be in the same form as the *final settlement statement* and shall include all of the information provided in the most recently issued *settlement statement* for the *trading day* for which the *recalculated settlement statement* relates, as amended following the validation procedure set forth in section 6.8 and 6.9 and the processes outlined in ~~section 10.4 of Chapter 6 and section 6C of Chapter 10~~ MR Ch.6 s.10.4 and MR Ch.10 s.6C, where applicable.

6.7.3 In accordance with the provisions of sections 6.8.9, 6.8.11, 6.9.1.2, 6.9.4, and the processes outlined in MR Ch. 6 s. 10.4 and MR Ch. 10 s. 6C, where applicable, *recalculated settlement statements* shall include any required adjustments as a credit or debit to each affected *market participant* resulting from *settlement* disagreements that have been resolved prior to the issue date of the applicable *recalculated settlement statement*.

6.7.4 Each *market participant* that receives a *recalculated settlement statement* is required to pay any net debit amount shown in the *recalculated settlement statement* on the corresponding *market participant payment date* and shall be entitled to receive any net credit amount shown in the *recalculated settlement statement* on the corresponding *IESO payment date*, whether or not there is any outstanding *settlement* disagreement regarding the amount of such debit or credit.

6.8 Market Participant Validation of Settlement Statements

6.8.1 Each *market participant* shall review all of its *settlement statements* upon receipt. Subject to the terms of this section 6.8, a *market participant* may register a disagreement with the *IESO* with respect to any *settlement statement* other than a *final recalculated settlement statement* by filing a *notice of disagreement* in accordance with the timelines set forth in sections 6.3.3, 6.3.5, 6.3.7, 6.3.14, 6.3.16, 6.3.18, and 6.3.25.2, as the case may be.

- 6.8.2 Subject to section 6.8.12, if a *market participant* disagrees with any item or calculation set forth in a *preliminary settlement statement* that it has received, or considers that there is an omission in such *preliminary settlement statement*, it may provide the *IESO* with a *notice of disagreement* in such form as may be established by the *IESO* and in accordance with section 6.8.4.
- 6.8.3 Subject to section 6.8.12, if a *market participant* disagrees with an item or calculation set forth on a *final settlement statement* or a *recalculated settlement statement*, other than a *final recalculated settlement statement*, that:
- ~~(a)~~ 6.8.3.1 differs in amount from the same item or calculation set forth on an earlier *settlement statement* corresponding to the same *trading day* and is identified as associated with an adjustment flag;
 - ~~(b)~~ 6.8.3.2 is an item or calculation which is new and not set forth on an earlier *settlement statement* corresponding to the same *trading day* and is identified as associated with an adjustment flag; or
 - ~~(c)~~ 6.8.3.3 the *market participant* considers that there is an omission in such *settlement statement*, including where the *IESO* does not issue a *recalculated settlement statement* because it has determined an adjustment is not necessary and the *market participant* disagrees with such determination, it may provide the *IESO* with a *notice of disagreement* in such form as may be established by the *IESO* and in accordance with section 6.8.4. For greater certainty, a *market participant* shall not provide a *notice of disagreement* to the *IESO* if the item or calculation on a *final settlement statement* or *recalculated settlement statement* with which the *market participant* disagrees is not captured by sections ~~(a) or (b) above~~ 6.8.3.1 or 6.8.3.2.
- 6.8.4 *Notices of disagreement* shall relate to only one *settlement statement* and shall include at least the following information:
- 6.8.4.1 the date of issuance of the *settlement statement* in question;
 - 6.8.4.2 the ~~dispatch~~ trading *trading day* in question;
 - 6.8.4.3 the item(s) or omission(s) in question;
 - 6.8.4.4 clearly state, with supporting material, the reasons for the disagreement;
 - 6.8.4.5 where applicable and with supporting material, the proposed adjustment to the data used to calculate any relevant *settlement amount* on the *settlement statement*; and

- 6.8.4.6 where applicable and with supporting material, the proposed correction to any calculation of the relevant *settlement amount* on the *settlement statement*.
- 6.8.5 Where a *notice of disagreement* includes a proposed adjustment to:
- 6.8.5.1 *physical bilateral contract data*; or
- 6.8.5.2 any data of a comparable nature which may be identified by the *IESO* from time to time,
- the *IESO* shall notify any other *market participant* to whom items 6.8.5.1 or 6.8.5.2 relates of such proposed adjustment prior to taking any action under section 6.8.9.
- 6.8.6 The *notice of disagreement* issued by the *market participant* shall be acknowledged by the *IESO* upon receipt.
- 6.8.7 The issuance of a *notice of disagreement* shall not remove the obligation of the *market participant* to settle any *invoice* based on the *preliminary settlement statement*, *final settlement statement* or *recalculated settlement statement*.
- 6.8.8 Subject to section 6.8.12, the *IESO* shall use the information provided in and with a *notice of disagreement*, and any other information available to the *IESO*, to consider the subject-matter of the disagreement and determine the necessary corrections, if any.
- 6.8.9 Following the determination described in section 6.8.8, the *IESO* shall inform the *market participant* of its determination, provide the *market participant* the opportunity to respond within ten *business days*, and, after considering any such response, take one of the following actions:
- 6.8.9.1 if the *IESO* concludes that no adjustment or correction is required in the *settlement statement*, it shall take no further action; or
- 6.8.9.2 if the *IESO* concludes that an adjustment or correction is required, take one of the following actions:
1. if the *notice of disagreement* is with respect to an item or calculation on a *preliminary settlement statement* and the *IESO* concludes an adjustment is required prior to the issuance of the corresponding *final settlement statement*, the *IESO* shall adjust the corresponding *final settlement statement* accordingly;
 2. if the *notice of disagreement* is with respect to an item or calculation on a *preliminary settlement statement* and the *IESO*

concludes an adjustment is required after the issuance of the corresponding *final settlement statement*, the *IESO* shall make the adjustment in the next scheduled *recalculated settlement statement*. For clarity, where the *notice of disagreement* relates to a *trading day* prior to the *IESO* commencing the issuance of *recalculated settlement statements*, the *IESO* shall make the adjustment on a subsequent *preliminary settlement statement*; or

3. if the *notice of disagreement* is with respect to an item or calculation on a *final settlement statement* or a *recalculated settlement statement*, the *IESO* shall make the adjustment in the next scheduled *recalculated settlement statement*.

- 6.8.10 If the *IESO* does not make its determination before the date for issuing any subsequent *settlement statements*, as applicable, the *IESO* shall issue such *settlement statements* without taking into account the disagreement.
- 6.8.11 Any changes required to be made in a *final settlement statement* or *recalculated settlement statement* as a result of the validation process described in this section 6.8 shall, subject to section 6.18.3, be included as:
- 6.8.11.1 a debit or credit in the *final settlement statement*, or
 - 6.8.11.2 if the *IESO* has already issued the relevant *final settlement statement* prior to the determination of the required change, as an **adjustment period allocation**—~~adjustment period allocation~~ to a *recalculated settlement statement*, or a subsequent *preliminary settlement statement* where the *notice of disagreement* relates to a *trading day* prior to the *IESO* commencing the issuance of *recalculated settlement statements*, issued for each affected *market participant*. If, after making all reasonable efforts to do so, the *IESO* cannot recover these amounts from or distribute these amounts to a former *market participant*, such amounts shall then be included as a current period adjustment to a subsequent *preliminary settlement statement*.
- 6.8.12 No *market participant* may submit a *notice of disagreement*, and any such *notice of disagreement* shall not be valid and any adjustment resulting from such *notice of disagreement* shall be void, the *IESO* shall not investigate the subject-matter of a *notice of disagreement* if the *notice of disagreement*:
- 6.8.12.1 is submitted to the *IESO* after the time specified in 6.3.3, 6.3.5, 6.3.7, 6.3.14, 6.3.16, 6.3.18, and 6.3.25.2, as the case may be;
 - 6.8.12.2 relates to an issue which falls outside the permitted scope of such *notice of disagreement* outlined in sections 6.8.2 or 6.8.3, as the case may be;

- 6.8.12.3 relates to a final *recalculated settlement statement*;
- 6.8.12.4 relates to a compliance and enforcement action described in MR Ch.3, s.6 of Chapter 3, or matters relating to section 3.5.6B, ~~section 3.5.6C, section 3.5.6D, section 3.5.6G, section 3.5.9, section 3.89.1, section 3.89.2, or section 4.7E of Chapter 9, section 2.2B.2 of Chapter 7~~;
- 6.8.12.5 relates to a dispute referred to in section 2.2.7;
- 6.8.12.6 relates to an adjustment made on a *settlement statement* reflecting a *dispute outcome*;
- 6.8.12.7 relates to a matter described in the processes outlined in MR Ch.6 s.10.4 and MR Ch.10, s.6~~section 10.4 of Chapter 6 and section 6C of Chapter 10~~;
- 6.8.12.8 relates to the calculation of *market prices*, ~~(a) the 5-minute energy market price for any dispatch interval in a given settlement hour;~~
- ~~(b) the 5-minute market price for any class of operating reserve for any dispatch interval in a given settlement hour; or~~
- ~~(c) the hourly Ontario energy price for a given settlement hour; or~~
- 6.8.12.9 relates to a matter which the *market participant* has already submitted a *notice of disagreement*, including in regards to an earlier *settlement statement*; or
- 6.8.12.10 relates to a matter that is subject to the independent review process set out in MR Ch.7, s.22.8.
- 6.8.13 Subject to the processes outlined in MR Ch.6 s.10.4 and MR Ch.10 s.6~~section 10.4 of Chapter 6 and section 6C of Chapter 10~~, *market participants* that fail to submit a *notice of disagreement* in accordance with section 6.8 in regards to a *settlement statement* shall have no further recourse in regards to the amount of any *settlement amount* contained on such *settlement statement*.
- 6.8.14 Nothing in section 6.8.12 shall prevent a *market participant* from submitting, or the *IESO* from making a determination in regards to, a *notice of disagreement* that relates to the manner in which any of the elements noted in ~~sections~~ section 6.8.12.8 have been applied for purposes of the calculation of the *market participant's net settlement amount*.

- 6.8.15 If a *market participant* disagrees with the *IESO's* conclusion and action taken in accordance with section 6.8.9 or the *IESO* has not made its determination prior to the earlier of either ~~(i)~~:
- a. the date that is 23 months after the date on which the relevant *trading day* was first *invoiced*; or
 - b. ~~(ii)~~ twelve months after the date the *notice of disagreement* was issued by the *market participant*, the *market participant* may pursue their disagreement through the dispute resolution procedure described in section 6.10.1. Additionally, if a *market participant* disagrees with an item or calculation on a *final settlement statement* or a *recalculated settlement statement*, which is either new and not set forth on an earlier *settlement statement* or differs from the same item or calculation set forth on an earlier *settlement statement* but such item or calculation is not identified as associated with an adjustment flag, the *market participant* may pursue their disagreement through the dispute resolution procedure described in section 6.10.1.

6.9 IESO Validation of Settlement Statements

- 6.9.1 Subject to section 6.9.2, if the *IESO* becomes aware of a possible error within an *IESO* system or *settlement process* that a *market participant* would not have reasonably been able to identify and address through section 6.8, and which may result in *settlement amounts* being calculated incorrectly, the *IESO* shall use the information available to the *IESO* to consider the possible error and ~~take one of the following steps~~:
- 6.9.1.1 if the *IESO* concludes that no material adjustment or correction is required, it shall take no further action; and
 - 6.9.1.2 if the *IESO* concludes that a material adjustment or correction is required, take one or more of the following actions:
 - a. if the correction is with respect to an item or calculation on a *preliminary settlement statement* and the *IESO* makes its determination prior to the issuance of the corresponding *final settlement statement*, the *IESO* shall adjust the corresponding *final settlement statement* accordingly;
 - b. if the correction is with respect to an item or calculation on a *preliminary settlement statement* and the *IESO* makes its determination after the issuance of the corresponding *final settlement statement*, the *IESO* shall make the adjustment on one or more *recalculated settlement statements*. For clarity, where the correction relates to a *trading day* prior to the *IESO*

commencing the issuance of *recalculated settlement statements*, the *IESO* shall make the adjustment on a subsequent *preliminary settlement statement*; and

- c. if the correction is with respect to an item or calculation on any other *settlement statement*, the *IESO* shall make the adjustment on one or more *recalculated settlement statement*.

6.9.2 Notwithstanding section 6.9.1 and commencing with *settlement amounts* which were invoiced or should have been invoiced on or after the *RSS commencement date*, the *IESO* shall not take any action or make any correction under section 6.9 in regards to any *settlement amounts* which were *invoiced*, or should have been *invoiced*, more than 23 months before the day on which the *IESO* issues the *settlement statement* referred to in section 6.9.1.2. Notwithstanding the foregoing, where entitlement to a *settlement amount* is prescribed by *applicable law*, the *IESO* shall not take any action or make any correction under section 6.9 in regards to any *settlement amount* if a limitation period applicable to such *settlement amount* prescribed in *applicable law* has lapsed.

6.9.3 If the *IESO* does not make its determination before the date for issuing any *settlement statements*, as applicable, the *IESO* shall issue such *settlement statements* without taking into account the error being considered.

6.9.4 Any changes required to be made in a *final settlement statement* or *recalculated settlement statement* as a result of the validation process described in this section 6.9 shall, subject to section 6.18.3, be included as:

6.9.4.1 a debit or credit in the *final settlement statement*, or

6.9.4.2 if the *IESO* has already issued the relevant *final settlement statement* prior to the determination of the required change, as an *adjustment period allocation* to a *recalculated settlement statement*, or a subsequent *preliminary settlement statement* where the *notice of disagreement* relates to a *trading day* prior to the *IESO* commencing the issuance of *recalculated settlement statements*, issued for each affected *market participant*. If, after making all reasonable efforts to do so, the *IESO* cannot recover these amounts from or distribute these amounts to a former *market participant*, such amounts shall then be included as a *current period adjustment* to a subsequent *preliminary settlement statement*.

6.9.5 If a *market participant* disagrees with the *IESO's* conclusion and action taken in accordance with section 6.9.1.2, the *market participant* may pursue their disagreement through the *market participant* validation procedure described in section 6.8, or, if the adjustment is made on a *final recalculated settlement statement* or on an ad hoc *recalculated settlement statement* issued after the

date when the sixth *recalculated settlement statement* is scheduled to be issued, through the dispute resolution procedure described in section 6.10.1.

- 6.9.6 Notwithstanding the foregoing, nothing in this section 6.9 limits the IESO's ability to apply an adjustment related to matters described in section 6.8.12.4, including as a *current period adjustment* to a *preliminary settlement statement* issued more than two years after the *invoice* for the relevant *trading day* was issued.

6.10 Dispute Resolution

- 6.10.1 Subject to section 6.10.2, if a *market participant* wishes to initiate a dispute in regards to matters described in section 6.8.15, section 6.9.5, section 6.8.12.4, or in regards to a *final recalculated settlement statement*, it may submit the matter to the dispute resolution process set forth in ~~MR Ch.3 s.2 section 2 of Chapter 3.~~
- 6.10.2 In regards to matters described in section 6.10.1, no *market participant* may submit a *notice of dispute*, and any such *notice of dispute* shall not be valid, if:
- 6.10.2.1 in regards to disputes pertaining to *settlement statements* other than a *final recalculated settlement statement*, the *notice of dispute* relates to a matter which, pursuant to section 6.8.2, section 6.8.3, or section 6.8.12, except for section 6.8.12.4, is not an item or calculation for which the the *market participant* is permitted to submit a *notice of disagreement*, unless the only reason that a *market participant* is not permitted to submit a *notice of disagreement* is because the new or adjusted item or calculation is not identified as associated with an adjustment flag;
- 6.10.2.2 in regards to disputes pertaining to a *final recalculated settlement statement*, the *notice of dispute* relates to a matter:
- which does not differ in amount from the same item or calculation set forth on an earlier *settlement statement* corresponding to the same *trading day*;
 - is not an item or calculation which is new and not set forth on an earlier *settlement statement* corresponding to the same *trading day*;
 - is not an item or calculation which the *market participant* considers that there is an omission in such *settlement statement*; or
 - described in sections 6.8.12.5 to 6.8.12.9.

- 6.10.2.3 subject to ~~section 2.5.1B of Chapter 3~~ MR Ch.3 s.2.5.1B, the *notice of dispute* was submitted by the *market participant*:
- a. in regards to matters described in section 6.8.15 where the *IESO* has made its determination, more than twenty *business days* after either the *IESO* notifies the *market participant* in accordance with section 6.8.9.1 or issues the relevant *settlement statement* in accordance with section 6.8.9.2, as the case may be;
 - b. in regards to matters described in section 6.8.15 where the *IESO* has not made its determination, prior to the date referred to in section 6.8.15;
 - c. in regards to matters described in section 6.9.5 where the adjustment is made on an ad hoc *recalculated settlement statement* issued after the date when the sixth *recalculated settlement statement* is scheduled to be issued, more than twenty *business days* after the *IESO* issues the ad hoc *recalculated settlement statement*;
 - d. in regards to disputes pertaining to a *final recalculated settlement statement*, more than twenty *business days* after the *IESO* issues the *final recalculated settlement statement*;
 - e. in regards to matters described in section 6.8.12.4, except for a compliance and enforcement action described in ~~section 6 of Chapter 3 MR Ch.3 s.6~~, more than twenty *business days* after the *IESO* issues the *settlement statement* containing the amounts being disputed;
 - f. in regards to a compliance and enforcement action described in MR Ch. 3 s. 6, outside of the applicable timeline set forth in ~~section 2.5.1A of Chapter 3~~ MR Ch.3 s.2.5.1A; and
 - g. in regards to an item or calculation on a *final settlement statement* or a *recalculated settlement statement*, which is either new and not set forth on an earlier *settlement statement* or differs from the same item or calculation set forth on an earlier *settlement statement* but such item or calculation is not identified as associated with an adjustment flag, more than twenty *business days* after the *IESO* issues the *settlement statement* containing the amounts being disputed.
- 6.10.3 Following the resolution of a dispute, the *IESO* shall arrange to have the *dispute outcome* carried out as soon as is reasonably practicable following the resolution of the dispute, subject to the availability of data and of the *IESO's* resources.

- 6.10.4 To implement a *dispute outcome*, the *IESO* shall:
- 6.10.4.1 for the *market participant* that originally filed the *notice of dispute* that resulted in the *dispute outcome*, reflect the amounts to be debited or credited in accordance with the following:
- a. if the dispute is resolved prior to the issuance of the *final recalculated settlement statement* and the *IESO* has sufficient time to implement the *dispute outcome* on a *recalculated settlement statement*, the *IESO* shall reflect such credits or debits on the next scheduled *recalculated settlement statement*; or
 - b. if the dispute is resolved after the issuance of the *final recalculated settlement statement*, the dispute relates to a *trading day* prior to the *IESO* commencing the issuance of *recalculated settlement statements*, or the *IESO* does not have sufficient time to implement the *dispute outcome* on the final *recalculated settlement statement*, the *IESO* shall reflect such credits or debits on a subsequent *preliminary settlement statement* issued for the *market participant*.
- 6.10.4.2 ensure any credit adjustment made to such *market participant*, being a refund of payments already made, shall include interest at the *default interest rate* from the date the overpayment was received to the time that the repayment is credited to the relevant *market participant settlement account*;
- 6.10.4.3 arrange to have all net adjustments for each *market participant*, and any interest on such net adjustments, placed into the *IESO adjustment account*; and
- 6.10.4.4 for any other *market participant* affected by the *dispute outcome*, reflect the incremental dollar amount determined in section 6.10.4.1 as a debit or credit in accordance with the following:
- a. if the dispute is resolved prior to the issuance of the *final recalculated settlement statement* and the *IESO* has sufficient time to implement the *dispute outcome* on a *recalculated settlement statement*, the *IESO* shall reflect such credits or debits as an *adjustment period allocation* on the next scheduled *recalculated settlement statement*. If, after making all reasonable efforts to do so, the *IESO* cannot recover these amounts from or distribute these amounts to a former *market participant*, such amounts shall then be included as a *current*

period adjustment to a subsequent *preliminary settlement statement*; or

- b. if the dispute is resolved after the issuance of the *final recalculated settlement statement*, the dispute relates to a *trading day* prior to the *IESO* commencing the issuance of *recalculated settlement statements*, or the *IESO* does not have sufficient time to implement the *dispute outcome* on a *recalculated settlement statement*, the *IESO* shall reflect such credits or debits as a *current period adjustment* on a subsequent *preliminary settlement statement* issued for the *market participant*.

- 6.10.4.5 Notwithstanding section 6.10.4.1(a) and 6.10.4.4(a), where the *dispute outcome* requires an adjustment within a specified time period and the next scheduled *recalculated settlement statements* follows such time period, the *IESO* shall issue an ad hoc *recalculated settlement statement* to reflect such adjustments within the required timeframe.

6.11 Responsibility of the IESO

- 6.11.1 In carrying out its *settlement* responsibilities, the *IESO* shall operate in a non-discriminatory manner.

- 6.11.2 The *IESO* shall not be a counter-party to any trade transacted through the *day-ahead market and real-time markets*.

6.12 Settlement Invoices

- 6.12.1 Unless the *IESO* has invoked the estimated *invoice* procedure pursuant to section 6.3.27, each *invoice* issued by the *IESO* to a *market participant* shall be based on all of the *settlement statements* issued to the *market participant* since their last *invoice* was issued except for any that may pertain to the next *billing period*, as more particularly described in the applicable *market manual*. In each *invoice*, other than an estimated *invoice* issued pursuant to section 6.3.27:

- 6.12.1.1 each line item shall correspond to a distinct commodity or service bought or sold over the *billing period*; and
- 6.12.1.2 the *charge type* appearing on the *invoice* shall allow *invoice* line items to be cross-referenced to the relevant *settlement statements*.

- 6.12.2 The *IESO* shall, on the days specified in accordance with sections 6.3.8 and 6.3.19 or, where applicable, on either of the dates referred to in section 6.3.27 or section 6.3.33, issue an *invoice* to each *market participant* showing:
- 6.12.2.1 the dollar amounts which are to be paid by or to the *market participant*, according to *settlement statements* as specified in section 6.12.1 or as estimated pursuant to section 6.3.27;
 - 6.12.2.2 the *market participant payment date* by which such amounts (if any) are to be paid by the *market participant* no later than the *close of banking business* (of the bank at which the *IESO settlement clearing account* is held);
 - 6.12.2.3 the *IESO payment date* by which the *IESO* is to make payments (if any) to the *market participant* no later than the *close of banking business* (of the bank at which the *market participant settlement account* is held); and
 - 6.12.2.4 details of the *IESO settlement clearing account*, including the bank name, account number and *electronic funds transfer* instructions, to which any amounts owed by the *market participant* are to be paid in accordance with section 6.12.2.2.
- 6.12.3 *Invoices* shall be considered issued to *market participants* when issued by the *IESO* in accordance with the applicable *market manuals*.
- 6.12.4 It is the responsibility of each *market participant* to notify the *IESO* if it fails to receive an *invoice* on the date specified for the issuance of such *invoice* in accordance with sections 6.3.8 and 6.3.19 or, where applicable, on either of the dates referred to in section 6.3.27 or section 6.3.33. Each *market participant* shall be deemed to have received its *invoice* on the relevant date specified in accordance with sections 6.3.8 and 6.3.19 or, where applicable, on either of the dates referred to in section 6.3.27 or section 6.3.33, unless it notifies the *IESO* to the contrary.
- 6.12.5 In the event that a *market participant* notifies the *IESO* that it has failed to receive an *invoice* on the relevant date specified in accordance with sections 6.3.8 and 6.3.19 or, where applicable, on either of the dates referred to in section 6.3.27 or section 6.3.33, the *IESO* shall re-~~send~~ issue the appropriate *invoice* and the *invoice* shall be considered received on the date the re-~~sent~~ issued *invoice* is sent to the *market participant*.

6.13 Payment of Invoices

- 6.13.1 Subject to section 6.13.2, each *market participant* shall pay the full net *invoice* amount by the *market participant payment date* specified in accordance with section 6.3.9 and 6.3.20 or, where applicable, determined in accordance with any of sections 6.3.27, 6.3.31 and 6.3.33, regardless of whether or not the *market participant* has initiated or continues to have a dispute respecting the net amount payable.
- 6.13.2 A *market participant* may pay at an earlier date than the *market participant payment date* specified in accordance with section 6.3.9 and 6.3.20 or, where applicable, determined in accordance with any of sections 6.3.27, 6.3.31, and 6.3.33 in accordance with the following:
- 6.13.2.1 notification must be given to the *IESO* before submitting such prepayment or before converting an existing overpayment by the *market participant* into a prepayment;
 - 6.13.2.2 the prepayment notification shall specify the dollar amount prepaid;
 - 6.13.2.3 a prepayment shall be made by the *market participant* into the *IESO prepayment account* designated by the *IESO*;
 - 6.13.2.4 on any *market participant payment date*, the *IESO* may initiate the transfer of necessary funds from the ~~*IESO's prepayment account*~~ to the *IESO settlement clearing account* to discharge, up to the amount of the prepayment, that *market participant's* outstanding payment obligations arising in relation to that *market participant payment date*; and
 - 6.13.2.5 subject to ~~section MR Ch.2 s.-5.6.3-of Chapter 2,~~ and notwithstanding ~~section MR Ch.8 s.4.18.1.2-of Chapter 8,~~ funds held in an *IESO prepayment account* on behalf of a *market participant* may be applied by the *IESO* to any outstanding financial obligations of that *market participant* to the *IESO* for transactions carried out in the *IESO-administered markets*.
- 6.13.3 With respect to *transmission service services charges*, the *IESO* may instruct the bank where the *IESO settlement clearing account* is held to debit the *IESO settlement clearing account* and transfer to the relevant *transmitter's transmission services settlement account* sufficient funds to pay in full the *transmission service services charges* falling due to that *transmitter* on any *IESO payment date* specified in accordance with sections 6.3.11 and 6.3.22 or, where applicable, determined in accordance with any of sections 6.3.27, 6.3.31, and 6.3.33.

- 6.13.4 With respect to the *IESO administration charge*, the *IESO* may instruct the bank where the *IESO settlement clearing account* is held to debit the *IESO settlement clearing account* and transfer to the relevant *IESO* operating account sufficient funds to pay in full the *IESO administration charge* falling due on any *IESO payment date* specified in accordance with sections 6.3.11 and 6.3.22 in priority to any other payments to be made on that *IESO payment date* or on subsequent days out of the *IESO settlement clearing account*.
- 6.13.5 With respect to the smart metering charge, the *IESO* may instruct the bank where the *IESO settlement clearing account* is held to debit the *IESO settlement clearing account* and transfer to the relevant *IESO* operating account only those funds that were received in the *IESO settlement clearing account* in payment of the smart metering charge. The smart metering charge is the fee approved by the *OEB* to recover costs incurred by the *IESO* solely as a result of the *IESO* acting as the Smart Metering Entity and its responsibilities related to the smart metering initiative.
- 6.13.6 The *IESO* shall, on the *IESO payment date* specified in accordance with sections 6.3.11 and 6.3.22 or, where applicable, determined in accordance with any of sections 6.3.27, 6.3.31, and 6.3.33, determine the amounts available in the *IESO settlement clearing account* for distribution to *market participants* or the *forecasting entity*, and shall, if necessary, borrow funds in accordance with the provisions of section 6.16 if necessary to enable the *IESO settlement clearing account* to clear no later than 11:00 am on the *IESO payment date*.

6.14 Funds Transfer

- 6.14.1 All payments by *market participants* in respect of *settlement* matters shall be made to the *IESO settlement clearing account* via *electronic funds transfer* and shall be effected by the dates and times specified in this Chapter.
- 6.14.2 All payments by the *IESO* to *market participants* in respect of *settlement* matters shall be made to each *market participant's market participant settlement account* or to each *transmitter's transmission services settlement account* via *electronic funds transfer* and shall be effected by the dates and times specified in this Chapter.
- 6.14.3 In the event of failure of any *electronic funds transfer* system affecting the ability of either a *market participant* or the *IESO* to make payments, the affected party shall arrange for alternative means of payment so as to ensure that payment is effected by the dates and times specified in this Chapter.
- 6.14.4 No *market participant* shall include in any *electronic funds transfer* amounts attributable to more than one *invoice* or prepayment, unless such *electronic*

funds transfer is in such form as may be specified in the applicable *market manual*.

6.14.5 The *IESO* shall be entitled to and shall rely on the information contained in or accompanying an *electronic funds transfer* received pursuant to section 6.14.4 for the purpose of allocating the aggregate amount of an *electronic funds transfer* referred to in that section and, notwithstanding [section MR Ch.1 s.13-of Chapter 1](#):

6.14.5.1 the *IESO* shall not be liable to any person in respect of the allocation of:

- a. the aggregate amount of an *electronic funds transfer* when effected in accordance with such information or with section 6.14.6.1; or
- b. the amount of any associated overpayment or underpayment effected in accordance with section 6.14.6.2; and

6.14.5.2 the *market participant* providing the *IESO* with such information shall indemnify and hold harmless the *IESO* in respect of any claims, losses, liabilities, obligations, actions, judgements, suits, costs, expenses, disbursements and damages incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the *IESO* arising from the allocation by the *IESO* of:

- a. the aggregate amount of an *electronic funds transfer* when effected in accordance with such information or with section 6.14.6.1; or
- b. the amount of any associated overpayment or underpayment effected in accordance with section 6.14.6.2.

6.14.6 Where a *market participant* that initiates an *electronic funds transfer* to which section 6.14.4 applies fails to provide the information contained in or accompanying an *electronic funds transfer* referred to in section 6.14.4, the *IESO* shall allocate:

6.14.6.1 the aggregate amount of the *electronic funds transfer*; and

6.14.6.2 the entire amount of any associated overpayment or underpayment, to that *market participant*.

6.15 Confirmation Notices

6.15.1 At the end of each calendar month, the *IESO* shall issue a *monthly confirmation notice* to each *market participant* which shall contain statements of the amounts

received from or paid out to the *market participant* on each *market participant payment date* and *IESO payment date* in that month and any payments outstanding.

6.16 Payment Default

- 6.16.1 Subsequent to the *close of banking business* (of the bank at which the *IESO settlement clearing account* is held) on the *market participant payment date* referred to in accordance with section 6.3.9 and 6.3.20 or, where applicable, determined in accordance with any of sections 6.3.27, 6.3.31, and 6.3.33, the *IESO* shall ascertain if the full amount due by any *market participant* has been remitted to the *IESO settlement clearing account*.
- 6.16.2 A *market participant* shall notify the *IESO* immediately if it becomes aware that a payment for which it is responsible will not be remitted to the *IESO settlement clearing account* on time and shall provide the reason for the delay in payment.
- 6.16.3 If the full amount due by a *market participant* has not been remitted after accounting for any prepayments made by the *market participant* pursuant to section 6.13.2, the provisions of ~~section MR Ch.3 s.6.3 of Chapter 3~~ shall apply and *default interest* shall accrue on all amounts outstanding.
- 6.16.4 If the *market participant's invoice* includes a *settlement amount* owing for the smart metering charge under section 6.13.5 and the *market participant*:
- fails to remit the full *invoice* amount due by the *market participant payment date*; and
 - does not direct the *IESO* how to apportion the payment between the smart metering charge and all other *settlement amounts* on the *invoice* prior to the *IESO payment date*, the *IESO* shall allocate the payment made by the *market participant* first to satisfying any *settlement amounts* due under the *market rules* before being applied to the smart metering charge.
- 6.16.5 The *IESO* shall be authorized to borrow short-term funds to clear the credits in any *settlement cycle* only if the following conditions are met:
- 6.16.5.1 there are insufficient funds remitted into the *IESO settlement clearing account* or *TR clearing account* to pay all applicable *market creditors* due for payment from the funds in the *IESO settlement clearing account* or *TR clearing account*, and clear the *IESO settlement clearing account* or *TR clearing account* on a given *IESO payment date*, due to:
- payment default by one or more *market participants* in the *day-ahead market and real-time markets*; or

- b. the circumstances referred to in ~~section 4 MR Ch.8 ss.3.19.2 or 43.19.6 of Chapter 8~~;

6.16.6 If the *IESO* borrows short-term funds pursuant to section 6.16.5, it shall recover this borrowing:

6.16.6.1 where the insufficient funds were due to a payment default referred to in section 6.16.5.1 (a) by taking all steps against the *defaulting market participant* as provided for in these *market rules*, including, if necessary, by imposing the *default levy* in accordance with ~~section 8 of Chapter 2 MR Ch.2, s.8~~; or

6.16.6.2 where the insufficient funds were due to the circumstances referred to in section 6.16.5.1 (b), in the manner referred to in ~~sections MR Ch.8, ss. 3.19.3 and 3.19.54.19.3 and 4.19.5 of Chapter 8~~ and then, if necessary, by recovering from *market participants* proportionately based on *transmission services charges* paid during all *intervals metering intervals* and *settlement hours* within the *energy market billing period* in which the *IESO* invoices the *market participants*.

6.16.6.2.1 Where a *market participant* has paid provincial *transmission services charges*, recovery pursuant to section 6.16.6.2 shall be recovered individually, proportionate to the quantities of *energy* withdrawn at all ~~*RWAs registered wholesale meters*~~ excluding *intertie metering points* during all intervals and *settlement hours* within the *energy market billing period* in which the *IESO* invoices the *market participants*, in accordance with section 6.16.6.3

6.16.6.2.2 Where a *market participant* has paid export *transmission services charges*, recovery pursuant to section 6.16.6.2 shall be recovered individually, proportionate to the quantities of *energy* withdrawn at all *intertie metering points* during all intervals and *settlement hours* within the *energy market billing period* in which the *IESO* invoices the *market participants*, in accordance with section 6.16.6.3

6.16.6.3 The portion of any short-term funds borrowed by the *IESO* to be recovered from *market participant 'k'* in the current *energy market billing period* shall be calculated as follows:

6.16.6.3.1 For *market participants* that have paid provincial *transmission services charges* in the current *energy market billing period*:

$$TRCAC_k = TRCAD_L \times \sum_H^{M,T} [(AQEW_{k,h}^{m,t}) / \sum_{k,H}^{M,T} (AQEW_{k,h}^{m,t})]$$

6.16.6.3.2 For *market participants* that have paid export transmission *services* charges in the current *energy market billing period*:

$$\text{TRCAC}_k = \text{TRCAD}_E \times \sum_H^{I,T} [(\text{SQEW}_{k,h}^{i,t}) / \sum_{K,H}^{I,T} (\text{SQEW}_{k,h}^{i,t})]$$

Where:

- i. $\text{TRCAD}_L = (\sum_K \text{TD}_C / \sum_K \text{TD}_{C,C1}) \times \text{TRCAR}$
- ii. $\text{TRCAD}_E = (\sum_K \text{TD}_{C1} / \sum_K \text{TD}_{C,C1}) \times \text{TRCAR}$
- iii. TRCAR = the total dollar value of TR shortfall recovery from the *TR clearing account* authorized by the *IESO Board* in the current *energy market billing period*.

6.16.7 If there are insufficient funds remitted into the *IESO settlement clearing account* to pay all *market creditors* due for payment from the funds in the *IESO settlement clearing account*, and clear the *IESO settlement clearing account* on a given *IESO payment date* due to default by one or more *market participants* or to the circumstances referred to in section 6.16.5.1 (b), the *IESO* shall borrow funds in accordance with section 6.16.5 in order to clear the *IESO settlement clearing account* no later than the *close of banking business* (of the bank at which the *IESO settlement clearing account* is held) on that *IESO payment date*.

6.16.8 If the *IESO* has exhausted credit availability contemplated by section 6.16.5, then the *IESO* shall pay *real-time market creditors* on a pro rata basis in proportion to the amounts owed to each *real-time market creditor*. Any amounts that remain owing to *real-time market creditors* shall bear interest at the *default interest rate* until paid.

6.14.816.9 Upon receipt of any payments by the *IESO*, either from or on the behalf of one or more *defaulting market participants* including any *prudential support* held by the *IESO*, or on behalf of *non-defaulting market participants* pursuant to a *default levy*, the *IESO* shall first repay all existing lines of credit and other banking facilities, and following repayment of such lines of credit and banking facilities, the *IESO* shall then repay on a pro-rata basis all *real-time market creditors* owed amounts pursuant to section 6.16.8.

6.17 Payment Errors, Adjustments, and Interest

6.17.1 If a *market participant* receives an overpayment on any *IESO payment date*:

- 6.17.1.1 the *market participant* shall notify the *IESO* of such overpayment within two *business days* of the overpayment or immediately as soon as the *market participant* thereafter becomes aware of the situation;

- 6.17.1.2 if the *IESO* determines or becomes aware of the overpayment prior to being notified by the *market participant*, the *IESO* shall notify the *market participant* of the overpayment;
 - 6.17.1.3 the *market participant* receiving the overpayment shall, until it has refunded the overpayment to the *IESO*, be deemed to be holding the amount of such overpayment in trust for any other *market participants* that may have been underpaid in consequence of such overpayment, pro rata to the amount of the underpayment;
 - 6.17.1.4 the *IESO* shall be entitled to treat the overpayment and any interest accruing thereon as an unpaid amount to which section 6.16 applies; and
 - 6.17.1.5 if not repaid fully within 2 *business days* of receiving the overpayment, the unpaid amount of any overpayment shall bear interest at the *default interest rate* from the date of overpayment until the date on which repayment is credited to the *IESO's* relevant *settlement account*.
- 6.17.2 The *IESO* shall be responsible for identifying any *market participants* who have been underpaid as a result of an overpayment to another *market participant*.
- 6.17.3 The *IESO* shall pay any underpaid *market participant* for the amounts of their underpayment, including interest calculated from the date the *market participant* should have been paid, as soon as practicable following repayment by the overpaid *market participant*.
- 6.17.4 If a *market participant* has overpaid the *IESO* on any *market participant* payment date:
- 6.17.4.1 the *market participant* shall notify the *IESO* of such overpayment within two *business days* or immediately as soon as the *market participant* thereafter becomes aware of the situation;
 - 6.17.4.2 if the *IESO* determines or becomes aware of such overpayment prior to being notified by the *market participant*, the *IESO* shall notify the *market participant* accordingly;
 - 6.17.4.3 the *market participant* may request that the overpaid amount be either refunded or treated as a prepayment pursuant with section 6.13.2; and

- 6.17.4.4 any related administration and transaction costs incurred by the *IESO* in managing and resolving the over-payment shall be charged to the account of the *market participant* involved.
- 6.17.5 If the *IESO* underpays any *market participant* on any *IESO payment date*:
- 6.17.5.1 the *market participant* shall notify the *IESO* of such underpayment within two *business days* or immediately as soon as the *market participant* thereafter becomes aware of the situation;
- 6.17.5.2 if the *IESO* determines or becomes aware of the underpayment prior to being notified by the *market participant*, the *IESO* shall notify the *market participant* accordingly; and
- 6.17.5.3 the *IESO* shall use all reasonable endeavours to promptly correct any underpayments, including interest thereon at the *default interest rate*.
- 6.17.6 If the *IESO* is underpaid by a *market participant* on any *market participant payment date*, the provisions of section 6.16 or of ~~section MR Ch.8; s.4.20 of Chapter 8~~ shall apply.
- 6.17.7 If the *IESO* borrows funds in accordance with section 6.16.5 because a payment due from a *market participant* was received too late to be credited to the *IESO settlement clearing account* by *close of banking business* (of the bank at which the *IESO settlement clearing account* is held) on the *market participant payment date* when such payment was due, then such remittance when it does arrive shall be used to repay the borrowed funds. Any such late payments shall be charged the *Canadian prime interest rate* plus 2%.
- 6.17.8 If the *IESO* holds or has under its control after five *business days* from receipt in the *IESO settlement clearing account* amounts which it ought properly to have paid to *market participants*, such *market participants* shall be entitled to interest on such amounts at the *default interest rate* from the date on which the *IESO* commenced to improperly hold or have such amounts under its control to the date on which such amounts are paid to the relevant *market participants*.
- 6.17.9 Monies in the *IESO settlement accounts* at the end of each year which have been earned from interest on funds in the *IESO settlement accounts* and which are not attributable to any incomplete *settlement process* or outstanding *settlement dispute* shall be used to off-set the *IESO administration charge* in the following year.
- 6.17.10 Where an amount is payable to a former *market participant* as a result of a *settlement* adjustment, the *IESO* shall endeavor to distribute the amount as specified in the applicable *market manual*. If the *IESO* cannot distribute the

amount to the former *market participant* as specified in the applicable *market manual*, such amount shall be used to offset the *IESO administration charge*.

6.18 Settlement Financial Balance/Maximum Amount Payable by IESO

- 6.18.1 The *IESO* shall provide and operate a *settlement* control process to monitor the financial balance of the calculated charges and payments so as to ensure that, subject to section 6.18.3:
- 6.18.1.1 for ~~hourly market day-ahead market and real-time market~~ transactions, other than transactions in the *TR market*, the sum of all payments for all *market creditors* involved in such ~~hourly~~ market transactions exactly equals the sum of all charges for *market debtors* involved in such ~~hourly~~ market transactions for each *trading day* of a *billing period*; and
 - 6.18.1.2 for all other transactions, other than transactions in the *TR market* including daily and monthly charges, adjustment charges and payments, the sum of all payments to *market creditors* of those transactions exactly equals the sum of all charges to *market debtors* of those transactions for each *billing period*.
- 6.18.2 Subject to the provisions of section 6.16, the *IESO* shall not be liable to make payments in excess of the amount it receives for transactions in the day-ahead market and real-time markets.
- 6.18.3 If there is an aggregate imbalance for all transactions for a given *trading day* or *billing period*, the *IESO* shall, in accordance with section 6.18.4 or by such other means as the *IESO* determines appropriate, recover that portion of the imbalance that arises by virtue of the rounding of day-ahead market and real-time market settlement amounts or of an adjustment to the *settlement statement* of one *market participant* that is too small to be reflected in corresponding *settlement statement* of other *market participants* provided that:
- 6.18.3.1 the manner of calculation of that portion of the imbalance can be evidenced in a manner satisfactory for purposes of the audit referred to in section 6.19; and
 - 6.18.3.2 that portion of the imbalance has accumulated to an amount which is sufficient to permit recovery.
- 6.18.4 The *IESO* may recover the portion of an aggregate imbalance referred to in section 6.18.3 by means of an adjustment to a *settlement statement* applied:

- 6.18.4.1 to *market participants* to whom *hourly uplift* may be allocated pursuant to these *market rules*;
- 6.18.4.2 in the same manner as *hourly uplift*; and
- 6.18.4.3 in respect of all *settlement hours* of the last day of the *billing period* in which the portion of such aggregate imbalance is determined to arise and be recoverable pursuant to section 6.18.3.

6.19 Audit

- 6.19.1 The audit of *settlement* functions referred to in this section 6.19 shall serve to examine and evaluate compliance with management control objectives and operational effectiveness of *settlement processes* and procedures.
- 6.19.2 The audits referred to in section 6.19.3 shall be performed by an external, independent auditing firm.
- 6.19.3 Unless otherwise directed by the *IESO Board*, the *IESO* shall every two years, on the anniversary of the *market commencement date*, direct a comprehensive external audit on the *settlement processes* and procedures. The audit shall include the following tasks:
 - 6.19.3.1 gauge the performance of the *settlement process* in meeting the objectives of these *market rules*;
 - 6.19.3.2 review the accuracy and timeliness of the production of *settlement statements*, including *settlement* calculations and financial allocations;
 - 6.19.3.3 review the accuracy and timeliness of the production of *invoices* and supporting market and system information;
 - 6.19.3.4 review the *reliability* and integrity of the market and system operational data used in the *settlement processes* and procedures;
 - 6.19.3.5 review the *reliability* and security of the information technology system infrastructure used to measure, validate, classify, compute and report *settlement* information;
 - 6.19.3.6 review the adequacy of *settlement processes* and procedures to safeguard *confidential information*; and
 - 6.19.3.7 review the adequacy and effectiveness of risk management controls of the *settlement processes* and tools, including the effectiveness of the *disaster recovery plan*.

- 6.19.4 *Settlement statements*, financial *settlement* records and any documentation pertaining to the *IESO's settlement* activities shall, subject to sections 2.11.1 to 2.11.3, be kept in secure storage for a period of at least seven years and made available for auditing purposes.
- 6.19.5 An audit report shall be prepared by the auditors in respect of each audit conducted pursuant to this section 6.19 and shall be commissioned on the basis that the audit report must be provided to the *IESO* within one month after completion of the audit activities.
- 6.19.6 Each audit report prepared pursuant to this section 6.19 shall be made available to a *market participant* upon request, subject to such measures as may be required to be taken to safeguard any *confidential information* contained in such audit report.

6.20 Settlement Accounts

- 6.20.1 The *IESO* shall establish and maintain the *settlement accounts* described in this section 6.20 for the operation of its *settlement* and billing systems.
- 6.20.2 The *IESO* shall obtain lines of credit and other banking facilities it deems necessary for the operation of the *settlement accounts* described in this section 6.20, which lines of credit and other banking facilities shall not exceed an aggregate amount approved by the *IESO Board*.
- 6.20.3 The *IESO* may establish *settlement accounts* in addition to those referred to in this section 6.20 as may be necessary to implement the *settlement* and billing processes outlined in this Chapter. *Market participants* shall be notified 60 *business days* prior to any such additional *settlement accounts* becoming *operational*.
- 6.20.4 The *IESO* shall open and maintain the *IESO settlement clearing account* as a single bank account to and from which all *settlement* payments shall be made in accordance with the provisions of this Chapter and the details of which shall appear in the *invoices* sent by the *IESO* to *market participants* as provided in section 6.12.2.4.
- 6.20.5 The *IESO* shall open and maintain the *IESO adjustment account*, which *account* shall operate as follows:
- 6.20.5.1 the *IESO adjustment account* shall be a single bank account established to receive and disburse payments related to penalties, damages, fines and payment adjustments arising from resolved

- settlement* disputes, and to reimburse the *IESO* for any associated costs or expenses;
- 6.20.5.2 any amounts paid into the *IESO adjustment account* by *market participants* shall first be applied to reimburse the *IESO* in respect of any costs or expenses described in section 6.20.5.1 which it has or will incur. Any remaining amount shall be credited to the *IESO adjustment account*; and
- 6.20.5.3 the *IESO Board* shall review, at least annually, the allocation of any credit balance of the *IESO adjustment account*, and may:
- establish an amount to be retained in the *IESO adjustment account*;
 - direct that some or all of the credit balance be applied to special education projects or initiatives; and/or
 - direct that some or all of the balance be distributed to *market participants* on a basis to be determined by the *IESO board*.
- 6.20.6 The *IESO* shall open and maintain the *IESO prepayment account*, which *account* shall operate as follows:
- 6.20.6.1 the *IESO prepayment account* shall be a bank account established for *market participants* to deposit prepayments at an earlier date than the specified *market participant payment date*; and
- 6.20.6.2 the arrangements for making the prepayment and transferring funds from the *IESO prepayment account* to the *IESO settlement clearing account* shall be in accordance with the provisions of section 6.13.2.
- 6.20.7 The *IESO* shall open and maintain the *TR clearing account*, which *account* shall operate in the manner described in ~~sections MR Ch.8, ss.4.18 and 4.19 of Chapter 8.~~
- 6.20.8 Unless otherwise specified, the *IESO* shall recover all banking costs reasonably incurred in opening and operating the *IESO's settlement accounts* through the *IESO administration charge*.
- 6.20.9 The *IESO* shall maintain its *settlement accounts* at a bank or financial institution in the Province of Ontario approved by the *IESO Board*.
- 6.20.10 Each *transmitter* shall be required to open and maintain a *transmission services settlement account* at a bank named in a Schedule to the *Bank Act*, S.C. 1991, c. 46, located in the Province of Ontario, and capable of performing electronic funds transfers.

- 6.20.11 Each *transmitter* shall inform the *IESO* of all applicable information required for the *IESO* to make payment into the *transmitter's transmission services settlement account*.
- 6.20.12 Each *market participant* shall be required to open and maintain a *market participant settlement account* at a bank named in a Schedule to the *Bank Act*, S.C. 1991, c. 46, located in the Province of Ontario, and capable of performing electronic funds transfers.
- 6.20.13 Each *market participant* shall inform the *IESO* of all applicable information required for the *IESO* to make payment into the *market participant's market participant settlement account*.
- 6.20.14 The *settlement accounts* referred to in this section 6.20 may be changed or closed as follows:
- 6.20.14.1 the *IESO* may change the bank or the details of any of its *settlement accounts*, on the condition that the bank or financial institution is reasonably acceptable to the *IESO Board* and that all *market participants* are notified by the *IESO* in writing at least 60 *business days* before the change takes effect; and
- 6.20.14.2 any *transmitter* or *market participant* may change its bank or the details of its *settlement account*, on the condition that the *IESO* is notified in writing at least 60 *business days* before the change takes effect.