



**APRIL 25, 2024**

# Market Renewal Program Update on Physical Bilateral Contracts

**Denise Myers**  
Supervisor, MRP Settlements

# Physical Bilateral Contracts - Background

- Generically, a physical bilateral contract (PBC) is an agreement between a consumer to buy and a supplier to sell a specified quantity of energy at a specific price
- The IESO facilitates the settlement of PBC agreements between two Market Participants using the IESO's settlement processes
- PBCs in the Ontario are not part of the scheduling and dispatch process
- Currently, there are only three (3) suppliers with active PBCs serving five (5) industrial consumers

# Physical Bilateral Contracts - Updates

The IESO intends to suspend PBC effective MRP go-live date.

Rationale:

- Requires significant effort and costs to implement and align changes with MRP design
- Limited use since market opening
- Consultation with existing PBC holders have raised no major concerns

If in the future it is determined that there is sufficient value in reintroducing an updated PBC mechanism, the existing elements of the PBC framework could be leveraged

# Physical Bilateral Contracts – Next Step

- Chapter 8, section 2 of the market rules will be updated to enable suspension of PBCs and will be published as part of Final Alignment batch
- Existing references to PBCs throughout the Market Rules and Market Manuals will be retained but inoperable; these references may either be removed or repurposed in the future

---

# Thank You

[ieso.ca](http://ieso.ca)

1.888.448.7777

[customer.relations@ieso.ca](mailto:customer.relations@ieso.ca)

[engagement@ieso.ca](mailto:engagement@ieso.ca)



[@IESO Tweets](https://twitter.com/IESO)



[linkedin.com/company/IESO](https://www.linkedin.com/company/IESO)