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MRP Transitional Amendments: Facilitating the Transition to the Renewed Market

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Introduction

- The first part of this presentation will explain how transitional market rules will facilitate the market transition cutover to the renewed market
- The second part of the presentation will describe the way in which the renewed market rules will come into effect and become operative

Transitional Rules

As part of Final Alignment, the IESO will introduce amendments to the market rules to facilitate cutting over to the renewed market.

“Cutting over” describes the steps that the IESO will take starting on the actual day that the renewed market begins operating and continuing until the transition is complete.

These amendments will also facilitate rolling back to the legacy market, in the unlikely event that that the IESO encounters a problem during the transition that it cannot resolve in a reasonable time.

Transitional Rules Overview

Five points summarize the cutover amendments:

1. IESO will use a new type of market suspension to facilitate cutover to the renewed market
2. Transitional authorities will be limited to the “market transition” period
3. Rollback criteria will be codified in the rules
4. Authority to use the legacy rules will be built into the renewed rules
5. Entitlement to compensation for all scenarios will be codified in the rules.

Market Suspension

The IESO will use the market suspension process to facilitate the transition to the renewed market. All cutover amendments will be contained within the existing market suspension section.

The amendments will add a new justification for the IESO to suspend the market: a market transition. When the market transition begins, the IESO will be authorized to suspend normal market operations for the purposes of activating and, if necessary, testing, validating, adjusting, or restoring the new market tools.

During the market transition, the IESO may *only* continue the suspension for these purposes.

Market Transition

The IESO's cutover authorities will be limited to the "market transition" period. The amendments will introduce a new defined term of "market transition," which is the time period during which the IESO will take the steps necessary to cutover to the new market.

The rules will authorize the IESO to specify the start time of the market transition in a market advisory notice. Once the IESO is satisfied that the new tools are working properly, the rules will authorize the IESO to specify the end time of the market transition. After this time, the market transition will end and the IESO's cutover authorities will no longer apply.

Rollback Criteria

The rules will authorize the IESO to rollback to the legacy market in the unlikely event of a problem during the market transition period that cannot be resolved.

The rules will codify the criteria that the IESO will use to determine whether to rollback to the old market. These criteria will include:

- (a) a critical tool or process failure;
- (b) a significant impact to market operations or reliability; and
- (c) the failure cannot be resolved within a reasonable time.

Authority to Use the Legacy Rules

Where the rollback criteria are met, the new market rules will authorize the IESO to dispatch the grid and settle the market in accordance with the legacy rules for the legacy market. The authority to use old rules will be nested within the new rules.

In the unlikely event that the IESO is required to rollback to the legacy market, it will direct participants to comply with the old rules, which will remain published, and easily identifiable.

Compensation

The new rules will codify market participants' entitlement to compensation during the market transition.

Market participants will receive the real-time locational market price during the transition, unless this price is invalid or unavailable. Where this occurs, market participants will receive administrative prices.

In the unlikely event of a rollback, market participants will receive compensation in accordance with the old rules during the rollback.



Legacy and Renewed Market Rules

Market Rules and Manuals

The market rules and manuals for the renewed market will come into effect several months in advance of the market transition to support Registration Go-live activities and to authorize the market transition process.

The majority of the new rules—including those related to operations and settlement—will be in effect, but will remain inoperative until commencement of the market transition.

The old rules will continue to be operative, and to govern the current market until they are superseded by the new rules at the commencement of market transition.

Market Rules and Manuals (cont'd)

Transitional market rules, which will be added to the new rules as part of Final Alignment, will clarify the applicable scope of the old rules and new rules for the period in which both sets of rules are in effect.

The new rules will be published separately from the old rules and will have distinct chapter titles.



Next Steps

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June 7, 2024: Publication of transitional rules (included with Final Alignment batch)

June 18-20, 2024: Additional details on the transition provided during Stakeholder Engagement days

July 16, 2024: Technical Panel vote to post

September 10, 2024: Technical Panel vote to recommend

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