September 11, 2017

Comments on Single Schedule Market (SSM) Session #2 (August 17, 2017)

The following table sets out AMPCO's comments on the information provided as part of the IESO's stakeholder activities relating to the Market Renewal Program.

These comments are in specific reference to the Market Renewal Stakeholder Engagement Session dealing with the Single Schedule Market (SSM) session that was held on August 17, 2017, and they directly reference slides that were used that day to frame the SSM discussion.

In some cases, comments may be more general in nature than the "General Topic" column suggests.

General Topic	Slide Number	Comments
Introduction Slide Deck		
Load Pricing	8	• Nice graphic. But ultimately all loads will pay the new price....through regulated processes, including RPP.
Load Pricing Options Slide deck (FTI)		
Shadow Prices	4	• Need to fully understand how current shadow prices are different than the full LMP prices that will result from MR. • Please confirm that LMP will still be capped by an MMCP of $2000. [LMP = Energy + Congestion costs + Loss costs] • Same question for negative MMCP.
Options Diagram (General)	9	• Choice of marginal means the calculation of dispatch shift factors for all load nodes. If this is abandoned in favour of an average approach, then the impacts of this decision must be well understood. Any decisions which may limit improvements to the dispatch model for loads should be avoided. Some of these enhancements could include the ability to manage outages on those load facilities within the dispatch engine. • Any choice of average loss and congestion will mean no flexibility on pricing for NDL vs DL in the future. Also creates problems for storage that needs to operate as both generator and load - needs a nodal price to take advantage of arbitrage. • Marginal preserves flexibility and seems to be the correct thing to do with respect to L+C since it is calculated at the load sites. Flex is maintained for those who currently compete as DL or for those who may compete in the

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		future • May be a cost associated with additional telemetry at some load locations in any of options 4, 5 or 6. • How would additional metering (telemetry) charges be handled? MP funded? Does the IESO have a sense of cost to do this? • AMPCO asked for additional analysis on all options and information from IESO in the stakeholder session on August 17. • AMPCO requests the following from the IESO: o Longer timeframe for representative nodal shadow prices than 90 days (certain nodes within the zones). We would like to see 3 years. o Also provide zonal shadow prices for the existing 10 IESO zones o Identification of nodes for AMPCO Members upon request (can be taken offline) o Averages of representative nodal shadow prices by season o MCP versus shadow prices (summarized) o Overall summary presentation (average shadow, MCP, representative nodal) for 3 years o AMPCO welcomes a discussion with the IESO to accurately craft the information requirements
Option 1	10	• PJM and MISO allow you to opt into a nodal price from zonal once a year. Will IESO do this in this option?
Option 2	13	• AMPCO asked the IESO if they have a general sense of what Zones might look like IF WE WENT ZONALLY (same as existing 10?, more?, less?). Not that this would be deterministic… Is it possible to provide this?
Option 3	17	• Requires allocation rules for congestion rents and loss residual. This is a consideration for all but Option #7 based on supplier LMPs.
Option 4	21	• GENERAL COMMENT - For any options 4, 5 or 6, we will need additional analyses from the IESO to see just what the difference to the market is if DL becomes NDL in some areas. The IESO loses flexibility in terms of OR, but is that valuable enough to engage in some differentiated pricing regime? May need to think about if DL can move between DL and NDL just using their bids (i.e. DL is NDL today if their bid is $2000). If we choose one of these differentiated pricing regimes, does load lose that ability on an hour by hour basis? Need to consider both DL

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		impact as well as impact to everyone else…
Option 5	25	• Complicated approach considering most load would continue to pay uniform price
Option 6	29	• This is probably more complicated than Option 5 above, due to the low number of DLs in the province • Need to review all the Zones for only a few DLs… • Need additional information to explain if there is an advantage of this over option 5
Option 7	33	• Inability to differentiate pricing between DL and NDL is a problem
Summary Slides	36	• Note – Day Ahead Market could impact some of the decisions that are being sought out here. May need to revisit once DAM discussions have commenced.
Reducing Options	37	• At this point, AMPCO stated that in no way were any of the options pushed off the table by any discussion on August 17
FTRs	42	• Can the IESO provide some information to clarify the distinction between FTRs and other make whole payments? • In general, AMPCO believes that additional understanding is needed on this topic
FTR Option Slides	51-70	• NOT DISCUSSED
Make Whole Payments	71-77	• NOT DISCUSSED
Uplift	78-84	• NOT DISCUSSED
Market Power Mitigation Slide deck (FTI)		
Ex Ante versus Ex Post	37	• Ex ante mitigation is probably preferable to ex post mitigation, since nobody wants to go back and resettle the market.
Fuel Price	45	• Question of whether fuel prices are evaluated against market price, or the generator's actual fuel cost. If cost, then their fuel has to be evaluated against each contract that they struck (creating fuel price laminations) and a generator's poor ability to contract is tolerated. Market price is the right fuel price to use. Can IESO confirm that this is how it will be done?