

Single Schedule Market

January 30, 2018

Meeting Summary

January 30, 2018	2:00 pm – 5:00 pm	Four Points by Sheraton Toronto Airport
Attendee	Company	Attended (A); Phone (P); (R) Regrets
Belanger, Frederic	HQEM	P
Bloskie, Adam	Ontario Mining Association	A
Bordeleau, Patricia	MAG Energy Solutions	P
Butters, David	APPrO	A
Coulbeck, Rob	Goreway	P
Cumming, Alison	Power Advisory LLC	A
Dalzell, Patrick	Bruce Power	P
Degelman, Cara	Resolute Forest Products	A
Goddard, Rick	Rodan Energy Solutions	A
Griffiths, Sarah	EnerNOC, Inc.	A
Harrison, Ken	OPG	P
Harvey, Scott	FTI	A
Hiltz, Bonnie	Sussex	P
Kemp, Heather	Enbridge	P
Kuntz, Margaret	TransCanada Energy	A
Luthra, Amit	TransCanada Energy Ltd.	P
Luukkonen, Paul	Amp Solar Group Inc.	A
Martin, David	Nalcor Energy Marketing	P
Mo, Herman	Ontario Power Generation	A
Nguyen, Thanh	TransAlta	A
Nikkel, Jonathan	Centre Lane Trading Ltd.	A
Norris, Paul	OWA	P
Pope, Susan	FTI	A
Popova, Julia	NRG Curtailment Solutions, Inc.	A
Quassem, Farhad	Rodan Energy	A
Robb, Colin	Capital Power	P
Simmons, Sarah	Power Advisory LLC	A
Sutherland, Christopher	Goreway Power Station	A

January 30, 2018	2:00 pm – 5:00 pm	Four Points by Sheraton Toronto Airport
Attendee	Company	Attended (A); Phone (P); (R) Regrets
Tang, Alvin	Nexus Energy Inc	P
Tardif, Francois	Nexus Energy Canada	A
Villeneuve, Alexandre	MAG Energy	P
Withrow, David	Customized Energy Solutions	P
Wizniak, Lynn	Ontario Power Generation	A
Wright, Rhonda	AMPCO	P
Zerek, Peter	Ministry of Energy	P
Backman, Karen	IESO	A
Chapman, Tom	IESO	A
Ellard, Barbara	IESO	A
Grbavac, Jason	IESO	A
Macpherson, Robin	IESO	A
Matsugu, Darren	IESO	A
Scratch, Jonathan	IESO	A

All meeting material is available on the IESO website at: <http://www.ieso.ca/en/sector-participants/market-renewal/market-renewal-single-schedule-market>

Introduction – Jonathan Scratch, IESO

The IESO welcomed participants to the meeting and introduced the day’s agenda. This included a walk through of the work stream timelines, objectives for the day and dates for receiving feedback to the material shared. The IESO also walked through the approach for making preliminary decisions, and in doing so highlighted that all preliminary decisions are non-binding and are intended to facilitate progress to the high-level design document.

Load Pricing: Preliminary Decisions and Analysis – Jonathan Scratch, IESO

The IESO provided a recap on the Load Pricing design element. The IESO then shared the preliminary decision for Non-Dispatchable Load (NDL) to be settled on a zonal basis with the option to elect for nodal settlement.

Participants asked for clarity on the rationale and inputs used to determine the preliminary decision.

The IESO responded that the premise of the preliminary decision was to develop a price signal that is robust and accurate, and allows market participants to be price responsive if they so wish. IESO also noted this was only a preliminary decision and they welcome feedback from all stakeholders.

A participant made the observation that introducing congestion pricing on a locational basis may just have the adverse affect of increasing complexity for end users. The participant further noted that many end users are unlikely to be price sensitive on such a short-term basis, and that above all it is important for end users to have electricity prices that are predictable in the longer term.

The IESO thanked the participant for the input and comments.

The IESO then moved on to explain the preliminary design decision to have ten load pricing for zones for NDL. The zones would be delineated by the current boundaries between the ten existing electrical zones.

There were no participant questions or comments in response to this decision.

The IESO then moved on to explain the preliminary design decision that dispatchable resources will be settled on a nodal price.

There were no participant questions or comments in response to this decision.

The IESO then moved on to the preliminary decision for providing the option for NDLS to elect nodal pricing for a period of one year. The IESO explained that the rationale for the one year election period being that it both avoids unfair shifting of seasonal costs and reduces the administrative burden.

A participant sought clarification on how price would be determined where the end user is fed from transmission lines in different zones.

The IESO responded that it will assess the extent to which this situation is likely, and take this into account during the detailed design phase.

A participant sought clarity on the extent to which nodal prices will vary from zonal prices.

The IESO responded that their historical analysis indicates that zonal prices will be an effective proxy for nodal prices within the given zone.

A participant then asked the question on the extent to which energy and OR prices will align with the zones defined for load.

The IESO responded that supplier pricing will be determined on a nodal basis, and that OR prices will be based on specific OR zones which will likely differ slightly from the zones for load pricing.

The IESO presented a recap and approach for considering design options in the disbursement methodology for residuals.

A participant asked whether dispatchable load would be included in the calculation of the supplier weighted average.

The IESO responded that dispatchable load would be excluded from the calculation of the supplier weighted average, and will instead go into the load weighted average.

A participant questioned the rationale for the residual disbursement being made at month end.

The IESO explained that the rationale was based on preserving the marginal incentives for locational pricing. The IESO noted that they would welcome further feedback on the design of the residual disbursements.

A participant asked how load can be price responsive if submitted as part of the IESO forecast.

The IESO confirmed this question would be addressed in the Day-Ahead Market session on January 31.

A participant also raised the question of what pricing optionality might be open to LDCs with NDLS.

The IESO confirmed this is still under analysis and any pertinent information regarding LDC optionality would be shared in due course.

Intertie Congestion Pricing: Discussion of Stakeholder Feedback – Jonathan Scratch, IESO

The IESO walked through a high-level summary of the feedback received on Intertie Congestion Pricing.

A participant asked when the IESO is intending to respond to the stakeholder comments submitted previously.

The IESO confirmed that they will respond to the submitted stakeholder comments before March 29 meeting. The IESO also proposed a follow-up session specifically focused on Intertie Congestion Pricing for interested parties.

A participant asked whether the residual adjustment would be allocated to exports and Ontario wholesale loads, or just Ontario wholesale loads.

The IESO responded that the residual would likely not apply to exports and only to Ontario wholesale loads.

Conclusion and wrap up – Jason Grbavac, IESO

The IESO thanked all participants and reiterated that all design decisions shared today are preliminary and that the IESO welcomes feedback from all stakeholders before moving to the final decision phase.

Action Item Summary

Responsible Party	Action Item
All stakeholders	Provide feedback on the preliminary design decisions shared today, specifically for: zonal pricing for NDL, nodal pricing for dispatchable resources, price optionality for NDL, disbursement methodology for residuals amongst and within zones.
IESO	Dependent on stakeholder feedback, consider setting up a follow-up session specifically focused on Intertie Congestion Pricing for interested parties.

Meeting adjourned at 4:30 pm.