

MRP - Single Schedule Market | High Level Design

Stakeholder Feedback Form

<p>Date Submitted: 2018/11/20</p> <p>Feedback Due: November 22, 2018</p>	<p>Feedback provided by:</p> <p>Company Name: BluEarth Renewables</p> <p>Contact Name: Roslyn McMann</p> <p>Phone: [REDACTED]</p> <p>Email: [REDACTED]</p>
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The Market Renewal Project (MRP) released a draft of the High Level Design (HLD) for the Single Schedule Market (SSM) on **September 27, 2018**. In order to allow interested parties an opportunity to provide meaningful feedback on the HLD, the IESO has provided an eight week review period which concludes on **November 22, 2018**.

The SSM HLD first draft can be accessed [here](#).

This feedback form is intended to help organize stakeholder feedback in two key areas of interest to the IESO. If stakeholders have additional input, they are encouraged to provide those thoughts in the “Other Feedback/Considerations” section of the form.

Stakeholder feedback is due by Thursday November 22, 2018 to IESO Engagement at: engagement@ieso.ca

Design Element	HLD Page Reference	Stakeholder Feedback	
		Request for Clarification/Education	Considerations for Detailed Design
Price Formation	8-32	<p>As part of the Market Renewal Program, is the IESO considering changing the floor price for variable generators?</p>	<p>The introduction of Locational Marginal Pricing (LMP) through the Single Schedule Market (SSM) will have implications for renewable electricity suppliers (i.e. renewable generators) both within the electricity supply contract timeframe and beyond. The primary concern regarding implementation of LMP relates to the expected increased prevalence and depth of negative prices in certain electrical zones.</p> <p>Contractually, most renewable generators are exposed to negative prices on an interval basis, meaning if the supplier generates in an interval when the market clearing price (MCP) is negative, the supplier’s contract price is reduced by the value of MCP in that hour. For generators located in areas of the province where LMPs are likely to be frequently and deeply negative, this means that in order to produce energy and earn revenue, the generator may earn a reduced contract payment. BluEarth therefore looks forward to continuing discussions with the IESO regarding erosion of contract payments associated with generating during negative price intervals.</p> <p>In the post-contract timeframe, sustained negative prices will impact a generator’s ability to earn revenue in the energy market. Renewable</p>

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			<p>generators could be challenged to earn adequate revenue in the wholesale energy market.</p> <p>The SSM HLD identifies that at times, some supplier nodes in the province will experience negative LMPs, and that if negative pricing is determined to be an issue, the IESO will assess appropriate options to address it. BluEarth submits that analysis of negative LMPs, particularly in the northwest zone, requires priority attention within the Energy Workstream Detailed Design phase.</p>
Market Power Mitigation	33-42	No comments at this time.	<p>The IESO's proposed Market Power Mitigation (MPM) framework introduces new rules and considerations for Market Participants (MPs) including renewable suppliers. BluEarth supports the IESO's proposal to include MPM as one of the 'work packages' in the Detailed Design phase of the Energy Workstream, and supports development of an MPM framework that is transparent and that offers sufficient recourse in the event MPs disagree with the IESO's application of market power mitigation.</p>

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Load Pricing	43-52	No comments at this time.	No comments at this time.
Settlement Topics	53-56	No comments at this time.	<p>BluEarth recognizes that implementation of an SSM with LMPs will result in the elimination of Congestion Management Settlement Credits (CMSC), and that make-whole payments will be required under circumstances where resources are dispatched up or down 'out of merit' (i.e., dispatched down when economic or dispatched up when not economic, relative to other resources). Similar to the comments noted in the Price Formation above, the elimination of CMSC creates issues for renewable generators both under contract in in the post-contract timeframe.</p> <p>Renewable generators under electricity supply contracts are currently entitled to CMSC payments under a variety of circumstances. CMSC payments are also a component of Foregone</p>

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			<p>Energy payments. With the elimination of CMSC (specifically constrained-off payments), foregone energy calculations and payments in applicable Contract Amendment Agreements will be negatively impacted. BluEarth looks forward to continued discussions with IESO Contract Management regarding contractual implications of eliminating CMSC.</p> <p>In the post-contract timeframe, the quantum and frequency of make-whole payments may or may not be equal to CMSC payments. Make-whole payments should be prioritized within the Energy Workstream detailed design consultations, which is further needed in consideration of potential negative pricing issues.</p>

Other Feedback / Considerations

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BluEarth Renewables (BluEarth) is pleased to provide feedback to the IESO in response to the Single Schedule Market (SSM) High-Level Design (HLD). As a member of a consortium of renewable generators, energy storage providers, and industry associations led by Power Advisory LLC (Power Advisory), BluEarth supports the comments included in Power Advisory's November 16, 2018 submission to the IESO.

As identified in the comments within this feedback form and in Power Advisory's response document, design changes to enable an SSM with LMPs must enable supply resources to earn sufficient revenues under the construct of electricity supply contracts and in a post-contract timeframe. BluEarth looks forward to continued participation in the Market Renewal Program (MRP) stakeholder engagement process, and in particular to advancing the discussions with IESO Contract Management along with working through the Detailed Design phase of the Energy Workstream in order to create an efficient and workable Ontario market design.