

Minutes of Commercial Reconciliation Sub-Committee Meeting August 31, 2004, 9:00 A.M. – 3:00 P.M. Location: New Training Room at Skymark

Attendees:

IMO

Victor Wong	Meeting Chair
Edward Arlitt	
Warren Hill	
Lisa Lam	
Rayhan Malik	

External

Kevin Myers	Veridian
Joe Cipolla	OPGI
Naveed Ather	OPGI
Phil Walker	OPGI
Anthony Lam	Toronto Hydro
Ravinder Gupta	Hydro One
George Rosati	Enersource
Ramez Hakeem	Enersource
Jay Heaman	Woodstock
Jennifer Croke	Enermajica
Heather Sears	Enermajica
Sarah Wu	OEFC

Purpose

To discuss the allocation of uplifts and treatment of congestion management in the Day Ahead Market (DAM).

Agenda

- Update on the New MTR Update Report (Victor Wong)
- DAM high level schedule review
- Allocation of Uplifts in DAM (Edward Arlitt)
- Congestion Management in DAM (Edward Arlitt)

Update on the New MTR Update Report (Victor Wong)

- IMO to provide an alternative method to allow MSPs and MMPs to access their MTR data without going through the MTR Workflow program. Most probable delivery date of the MTR Update Report to all MTR users is now early 2005 at which time the problems of registering new users to the new IMO Reports Website will be resolved. A formal specification of the MTR Update Report in XML format will be issued by IT before delivery.

Allocation of Uplifts in DAM (Edward Arlitt)

Purpose of presentation:

- Identify connection between current market settlement amounts and what is new in the DAM.
- Discuss what these uplift amounts are and how they are allocated as per the design proposal.
- Review of the current financial context of how costs are allocated in the Market and distinguish between the current market and with what are truly new features of DAM.
- Discuss the sources of common costs in the current market and how they relate to new DAM uplift amounts
- Discussion of the technical aspects of uplift allocation.

Key points:

- The *hourly uplift* category of uplifts in the current real-time market will be the most impacted by DAM.
- Three major components of today's hourly uplift, CMSC, NEMSC and operating reserve will have a direct counterpart in DAM.
- Strawman proposal for imports arranged in DAM would not be eligible for IOG. IOGs may correspondingly be reduced with the proportion of import transactions in DAM. PCGs may substitute for IOGs.
- Design decision remains as to how the hourly uplift components will be merged with DAM counterparts.
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- Three new common costs related to Production Cost Guarantees (PCGs) will be implemented in DAM. These include the Bid Commitment Load, Forecast Commitment Load, Load Forecast Accuracy uplift.
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Congestion Management in DAM (Edward Arlitt)

Purpose of Presentation:

- Discussion of the design approach proposed in the Strawman and outlined in the Detailed Design Document for DAM congestion management, including how DAM CMSC will work, its interaction between the real-time market, and how of DAM CMSC will be balanced with real-time market outcomes in the second settlement.

Key points:

- General principle of the design proposal for DAM CMSC and second settlement DAM CMSC balancing is consistent with current implementation as per Market Rules Chapter 9 section 3.5.1
- Challenges of CMSC spanning DAM and real-time market include:
- 1) consideration of the interaction between the two markets;

- 2) reconciliation of CMSC in the real-time market to avert any unfair advantage or disadvantages between market participants due to congestion management; and,
- 3) reconciling original conditions in the DAM with actual outcomes in the real-time market.

Discussion:

- One comment raised was if the IMO could come up with a more simple method for CMSC payments in DAM.

Upcoming Scheduled CRSC Meetings:

· **Thursday, October 7, 2004 – Tentative Schedule**

- Wednesday, October 27, 2004 - Agenda to be announced
- Friday, November 19, 2004 - Agenda to be announced
- Thursday, December 9, 2004 - Agenda to be announced