

Market Renewal Program Feedback Form

Market Renewal Implementation – Engagement Days Presentation – June 22, 2023

Feedback Provided by:

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To promote transparency, feedback submitted will be posted on the Implementation Engagement webpage unless otherwise requested by the sender.

The Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on proposed categories for the Independent Review Process (IRP) and two design implementation solutions. Materials for the June 22, 2023 webinar where the IESO will provide an overview of the proposed categories and design solutions are posted to the [engagement web page](#).

Please submit feedback to engagement@ieso.ca by July 13, 2023. If you wish to provide confidential feedback, please mark the document "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

IRP Categories – Technology Type Segments

What feedback do you have on the Technology Type segments?

Section / Topic	Feedback
General	<ol style="list-style-type: none"> 1. There is overlap between the “Storage Non-battery” and “Hydroelectric – Pumped Storage” categories, as hydroelectric pumped storage is a type of non-battery storage technology. If there is a requirement to have a separate category for “Hydroelectric – Pumped Storage”, the “Storage – Non-battery” category should specifically exclude hydroelectric pumped storage. 2. “Hydroelectric” and “Hydroelectric – Cascade” can be combined into one category. Hydroelectric cascade operation is a subset of hydroelectric operation. 3. Dual-fuel thermal resources can fall under the listed thermal technology types, however, it should be noted there are complexities associated with a dual-fuel thermal resource that would require additional expertise compared to a single-fuel thermal resource.

IRP Categories – Reference Level and Reference Quantity Type Segments

What feedback do you have on the Reference Level and Reference Quantity Type segments?

Section / Topic	Feedback
General	<ol style="list-style-type: none"> 1. There should be detailed parameter itemization within the expert qualification process for the Reference Levels and Reference Quantities within each technology type. As an example, an expert in the “Thermal – Simple Cycle Gas” Financial Reference Level Category should be qualified for the complete set of financial reference level parameters, including incremental heat costs and emissions costs. 2. Emission cost should be included as a parameter/area of expertise under the Financial Reference Levels Category on slide 16.

Design Implementation Solutions - 1-Day Advance Approval Process Timeline

What feedback do you have on the 1-Day Advance Approval Process Timeline?

Section / Topic	Feedback
General	<p>OPG has no objection to the IESO’s revision to the 1-Day Advance Approval Process Timeline with respect to resource outages that are system impactive, i.e. generator outages. However, OPG does not agree that the change should be applied to outages that are not system impactive. These non-impactive</p>

Section / Topic	Feedback
	<p>outages include outages to communication equipment, equipment protection outages, loss of equipment redundancy, etc.</p> <p>The rationale for the change to the 1-Day Advance Approval Process Timeline is given in the May 19, 2023 memorandum, which is to avoid divergence in scheduling and pricing between the Day-Ahead Market (DAM) and the Real-Time (RT), i.e. no mismatch of resource outage data between the two markets. The benefit of the change is to "...ensures dispatch data submitted into the DAM will be properly respected by the outage data passed to the DAM."</p> <p>From above, the main concern is regarding resource availability. Non-impactive outages are not resource outages and therefore would have no impact on scheduling and dispatches. Implementing a blanket revision to the 1-Day Advance Approval Process Timeline for all types of outages, instead of applying it specifically to system impactive outages, is an excessive reduction of flexibility allowed for market participants (MPs) under the current Market Rules and Market Manuals.</p>

Design Implementation Solutions – Market Facing Reports

What feedback do you have on Market Facing Reports?

Section / Topic	Feedback
General	OPG recommends the IESO to provide the report release timelines on a monthly resolution, rather than in the quarterly resolution as currently presented.
List of external reports impacted by MRP	<ol style="list-style-type: none"> In the posted <i>List of external reports impacted by MRP</i>, there are nine reports that are listed as 'NEW' under "DD Impact" and 'No longer required' under "Updated Impact": <ul style="list-style-type: none"> ADE Expansion Request Approval; Notice of Mitigation of a Resource for a Make Whole Payment Impact; Notice of Mitigation of a Resource for a Price Impact; Notice of Mitigation of a Resource for Physical Withholding; Notice of Mitigation of a Resource on an Uncompetitive Intertie for Economic Withholding; Notice of Response to request to Modify a Fuel Cost Report; Uncompetitive Interties Report; Physical Transaction Dispatchable Resource Energy Price Report; Physical Transaction Non-Dispatchable Load Energy Price Report. <p>The two reports highlighted in yellow are presented as being removed in the June 22, 2023 presentation. There is no update to the status of</p>

Section / Topic	Feedback
	<p>the remaining seven reports in the same presentation. Please clarify and confirm that the remaining seven reports are also being removed as part of this Market Facing Report update.</p> <p>2. The two following reports:</p> <ul style="list-style-type: none"> • Transmission Facility Outage Limits Report (Days 0 to 2) • Transmission Facility Outage Limits Report (Days 3 to 34) <p>are listed as "Revise for Content" in <i>Publishing and Reporting Market Information Detailed Design Issue 2.0</i>, Table 3-17. However, these two reports are not included in the <i>List of external reports impacted by MRP</i>. What is target posting for these two reports?</p> <p>3. The report audience for Day-Ahead Financial Reference Level Report and Real-Time Financial Reference Level Report (<i>List of external reports impacted by MRP</i> rows 32 and 46) are listed as "Public". These two reports should be "<u>Market Participant Confidential</u>" reports, in alignment with the report audience for the Day-Ahead and Real-Time Reference Quantity Reports (<i>List of external reports impacted by MRP</i> rows 34 and 47).</p>

General Comments/Feedback

The comments below are for the Independent Review Process.

1. Does the IESO have an estimate of the demand for expert support to resolve IRPs in a timely manner?
2. Can the IESO provide a graphical timeline for the IRP in Market Manual 14.2, outlining the minimum and maximum timeframe to complete an IRP process?
3. The IESO should provide a cost schedule for the use of the IRP. This cost schedule should include breakdown detailing how MPs will be charged for the IRP, such as if the charge will be by the hour, by resource, by evaluated reference parameter, etc. and what the associated rate(s) will be. Would the charges be the same across technology types or will there be price differentiation for each technology type?

The comments below are for the Market Renewal Sandbox.

1. Will the current Sandbox and the new Market Renewal Sandbox be two different environments within the same Sandbox, or will they be two separate Sandboxes?
2. Would MPs be able to use existing Sandbox APIs or EMI logins for the Market Renewal Sandbox Testing?
3. What is the timeline for the IESO to publish details on Connectivity Testing that is scheduled to start on January 2024? There are many pre-steps MPs need to take (e.g. development, testing) prior

to connecting to the IESO system and these steps need to be scheduled before MPs can connect to the IESO system.

The comments below are in response to IESO feedback dated June 15, 2023.

1. IESO response to OPG's Question 12, Sub-question 3: "Section 22.15.2 will be amended to clarify that the assessment of physical withholding..." When will Section 22.15.2 be amended with the clarification that energy traders and virtual trader are not required to set Market Control Entities for physical withholding? Chapter 7 Section 22.15.2 has not been revised in the June 2023 version of the MRP Consolidated Draft.

2. IESO response to OPG's Question 16: OPG disagrees with the IESO's response that Chapter 7 Section 22.15.12 would have exempted MPs from testing when the MPs could have been able to exercise market power via physical withholding. From *Market Power Mitigation Detailed Design Document Issue 2.0* Section 3.6.2.1: *If there is a binding MAX constraint on a reserve area, resources in that reserve area will be unable to provide additional operating reserve in that reserve area. These resources will be unable to exercise market power due to their inability to provide incremental operating reserve.*

In other words, when a reserve area is under a binding MAX constraint, the resources within the area would be unable to provide incremental reserve and therefore unable to exercise market power. Any incremental MWs offered for operating reserve (OR) beyond the binding MAX constraint value, regardless of the price, would have no impact on the supply of OR in the reserve area, as the reserve area would not be able to utilize any additional offered OR MWs beyond the binding MAX constraint value. If the reserve area is unable to schedule incremental reserve due to a binding MAX constraint, how would resources be able to exercise market power?

If a resource *is* able to exercise market power via physical withholding, that would indicate that the reserve area *is NOT* under a binding MAX constraint, as the reserve area can still schedule incremental OR.

Based on the reserve area characteristics outlined in *Market Power Mitigation Detailed Design Document Issue 2.0* Section 3.6.2.1, Chapter 7 Section 22.15.12 should not be removed.