



Reasons of the *IESO Board* in respect of an *amendment to the market rules*

Terms and acronyms used herein that are italicized have the meanings ascribed thereto in Chapter 11 of the *market rules*.

The following sets out the *IESO Board's* reasons for its decision on the proposed *amendment* to the *market rules* identified in Part 1 below (the “**Amendment**”).

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR- 00437-R00
Title:	Resolute FP Canada – Demand Response Registration and Metering Requirements

The *IESO Board* convened to consider the Amendment on the date and location set out in Part 2 below.

PART 2 – BOARD MEETING INFORMATION

Date:	June 12, 2019
Location:	120 Adelaide Street, West, Toronto

Prior to considering the Amendment, the Chair of the *IESO Board* enquired whether any director of the *IESO Board* had a conflict of interest to declare, the result of which is set out in Part 3 below.

PART 3 – CONFLICTS OF INTEREST

<input checked="" type="checkbox"/> No conflict was declared.
<input type="checkbox"/> Any director declaring a conflict of interest abstained from voting on the adoption of the Amendment.

The *IESO Board* was presented with the materials in respect of the Amendment identified in Part 4 below (the “**Materials**”), all of which is *published* on the *IESO’s* [website](#) subject to such redactions as *IESO* staff determined reasonably necessary.

PART 4 – MATERIALS

1. Agenda Item Summary
2. Memorandum from Technical Panel Chair to IESO Board, dated June 4, 2019
3. Resolute Market Rule Amendment Proposal, dated April 16, 2019
4. Background Information, dated May 27, 2019
5. Resolute Presentation to Technical Panel, dated February 12, 2019
6. IESO Cover Memo to Technical Panel, dated April 30, 2019
7. Technical Panel member vote and rationale, dated May 2, 2019
8. Summary of Stakeholder and Technical Panel member comments on price, reliability and quality of service
9. Resolute letter to the IESO Board Secretary, dated May 27, 2019
10. IESO Board Secretary responding letter to Resolute, dated June 4, 2019
11. Resolute letter to IESO Board Secretary, dated June 5, 2019
12. IESO Board Secretary responding letter to Resolute, dated June 6, 2019
13. Resolute Submission to the IESO Board, dated June 10, 2019

Having considered the Amendment and the Materials, the *IESO Board* decided as identified in Part 5 for the reasons set out in Part 6.

PART 5 – DECISION

- The *IESO Board* decided in favour of the adoption of the Amendment.
- The *IESO Board* referred the Amendment back to the *technical panel* for further consideration and vote.
- The *IESO Board* decided against the adoption of the Amendment.

PART 6 – REASONS

The *IESO Board* reviewed the materials including the *technical panel* vote of 8 – 4 against recommending to the *IESO Board* the adoption of MR-00437-R00. Following discussion at the June 12, 2019 *IESO Board* meeting the *IESO Board* decided against the adoption of the Amendment for the following reasons:

1. The *market participant* indicated the proposed Amendment is necessary to ensure the original intent of the *market rules* with respect to the determination of *demand response capacity* (Chapter 7, 2. 19.2.1.1) is preserved. This matter is also the subject of a dispute between the *market participant* and the *IESO*. The dispute resolution process is the appropriate place for this matter to be determined as it is a fair, efficient, and well established process to resolve these types of dispute. The *market rule amendment* process is not the appropriate venue to resolve an issue that is the subject of an ongoing dispute.
2. The *technical panel* considered the proposed Amendment and did not recommend that it be adopted.
3. There will be opportunities to address transition issues relating to demand response during the development of *market rules* relating to Transitional Capacity Auction and Incremental Capacity Auction. These are the appropriate fora to discuss and resolve issues affecting demand response within the context of the auction process overall.

The *IESO Board* notes that the *market participant* raised some valid concerns regarding the *technical panel* process. These concerns do not impact the *IESO Board's* decision regarding the substance of the proposed Amendment. Despite the process concerns identified by the *market participant*, the *market participant* was able to present its views and rationale for the proposed Amendment to the *technical panel*. The *technical panel* considered the issues thoroughly and the *market participant* had full ability to make its views known and respond to all questions raised.

The *IESO Board* has directed *IESO* staff to prepare a report which addresses what was learned from the *technical panel* process and to identify process changes that will be made going forward. Preparation of the report is to include input from the *market participant* and the *technical panel*. This report will be made public.

The *IESO Board* would like to acknowledge the *technical panel* for its thoughtful consideration of the proposed Amendment. It was a significant undertaking, involving a variety of complex substantive and process issues. The *technical panel* demonstrated diligence and focus.