

Memorandum

To: Strategic Advisory Committee

From: Candice Trickey, Director, Market Renewal Program Readiness

Date: November 8, 2023

Re: IESO Business Update – Market Renewal Program Implementation

The Market Renewal Program (MRP) remains on schedule and is tracking to the approved budget. All 19 of the key milestones planned thus far for 2023 have been completed. These milestones cover work in a number of areas including engagement on Market Rule amendments, market participant readiness and IT solution development and testing. Highlights are provided below.

Market Rules and Manuals Engagement

The IESO Board provisionally approved the Market Settlements, Metering and Billing batch of market rule amendments in August and the Market and System Operations batch are open for review and feedback by market participants. This last batch of substantive amendments identifies the operational changes to come from Market Renewal. The IESO hosted a series of Q & A sessions, tailored by resource type, to aide participants in understanding these changes.

Market Participant Readiness

More than 130 participants attended a webinar in mid-October reviewing the plans for each of the phases of market participant testing. IESO will provide a testing environment and structured testing phases starting in January and extending to go-live in May 2025, including:

- Connectivity Testing, February-May 2024: testing to ensure that their systems and users can connect to the IESO's testing sandbox.
- Market Trials, August-October 2024: Testing to ensure individual tools and interfaces are functioning as intended.

- End-to-End Testing, February-March 2025: Testing to confirm participant's ability to execute, from beginning to end, the key business processes and systems under various simulated market conditions.

Detailed participant testing plans for each phase will be provided, starting with the Connectivity Test Plan which will be issued this month.

Distributors have noted that they will need guidance on how MRP impacts their downstream settlement and accounting from the Ontario Energy Board (OEB). The OEB is working with the IESO to identify changes to regulatory instruments resulting from MRP and reviewed their preliminary guidance with Distributors in October.

The IESO has also conducted the first survey of participants to assess readiness, primarily targeting highly impacted participants. Results indicate market participants are using the materials provided by the IESO and actively working to plan for and develop the conforming changes to their systems. Some have noted concerns with the schedule and with their current progress, and the IESO is following up to provide support and work through these concerns.

IT Solution Development and Testing

Key system development milestones continue to be completed on time. Two of the key IT solutions used for dispatch data and schedules, the Market Information Management and Dispatch Data Management systems, completed Site Acceptance Testing.

Next Steps

IESO will be releasing a variety of training materials starting this month, including:

- overviews of foundational concepts to continue to build participant understanding of the changes to come from MRP;
- a series of presentations to walk participants through the lifecycle of different resource types in the new market from registration through to settlements; and
- instructional guides explaining the changes to processes and tools.

Samples and schemas for the first batch of new and changing reports were posted in October to allow participants to begin to program changes to systems that receive these reports. The remaining three batches will be issued over the next three quarters.