



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- 00446-R00 – R05
Title: Implementation of the Interim Storage Design

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: December 9, 2020
Location: Webinar

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

- Presentation on Interim Energy Storage Design, proposed market rules
- Market Rule Amendment Proposals (R00 to R05) as recommended by Technical Panel
- IESO Staff memo to Technical Panel, dated October 13, 2020
- Technical Panel member rationale
- Consumer Impact Assessment (this assessment is required to support the Ontario Energy Board market rule amendment review process)
- Technical Panel and Stakeholder Comments (this assessment is required to support the Ontario Energy Board market rule amendment review process)
- Draft Resolution

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 unanimous *technical panel* vote to recommend MR-00446 R00 – R05 for approval by the *IESO Board*. The Markets Committee of the *IESO Board* discussed the Amendment and recommended it for adoption at the December 9, 2020 *IESO Board* meeting.

The *IESO Board* decided to adopt the Amendment recommended by the technical panel with an effective date of January 18, 2021.

The *IESO Board* adopted the Amendment for the following reasons:

1. These market rules codify the interim design developed by the Energy Storage Design Project to clarify the participation of storage resources in the *IESO administered markets*. These interim rules will facilitate the participation of storage resources on an interim basis until an enduring framework for the participation of storage resources is developed through an upgrade to the *IESO's* processes and tools.
2. The market rules reduce the barriers to entry for electricity storage resources, and by facilitating their participation in the *IESO administered markets*, will allow for greater competition which should result in greater ratepayer value.
3. These amendments allow electricity storage resources to better compete with other resource types on a non-discriminatory basis as it defines these resources within the *market rules* and treats them equivalently to generation and load resources.