

## Assessment of Impact of Market Rule Amendment on Consumers Re: Price, Reliability, Quality of Electricity Service

This form is used to document the *IESO's* assessment of the impact of a proposed *market rule amendment* on the interests of consumers with respect to prices and the *reliability* and quality of electricity service.

Terms and acronyms used in this Form that are italicized have the meanings ascribed thereto in Chapter 11 of the *Market Rules*.

### Part 1 – Market Rule Information

Identification No.: MR-00452-R00, MR-00456-R00-R03, MR-00461-R04

Title: Market Renewal Program: Market Settlements, Metering, Market Billing and Funds Administration

Date of Assessment: July 31, 2023

### Part 2 – Assessment

The following is the *IESO's* assessment of the impact of the proposed *market rule amendment* on the interests of consumers with respect to price and the *reliability* and quality of electricity service.

#### **Impact on Price:**

The Market Renewal Program (MRP) is expected to deliver a more efficient, stable marketplace with competitive and transparent mechanisms that meet Ontario's electricity needs at the lowest cost possible.

The Market Settlements, Metering, Market Billing and Funds Administration market rule amendments codify the Market Settlements framework for MRP, incorporating a day-ahead market and single schedule market, and introduce new hourly and non-hourly charges, credits, guarantees, make-whole payments and uplifts. In addition, settlement outcomes will reflect the market power mitigation framework.

The following MRP design elements and resulting settlements will have a downward influence on the price of electricity and uplift costs:

- The introduction of a day-ahead market will incentivize more efficient participation from all resources, which will have a downward influence on the price of electricity;
- A single schedule market will reduce out-of-market payments overall (including the elimination of congestion management settlement credits), which will have a downward influence on uplift costs;
- Enhanced real-time unit commitment will optimize the system and reduce the number of commitments, and the resulting settlements will have a downward influence on guarantee costs (day-ahead and real-time generator offer guarantees);
- Settlement outcomes that reflect the market power mitigation framework are expected to prevent market participants from taking advantage of market power that they may have, and if mitigated, will have a downward influence on the price of electricity.

#### **Impact on Reliability of Electricity Service:**

The Market Settlements, Metering, Market Billing and Funds Administration market rule amendments, through a financially binding day-ahead market will improve participation in day-ahead scheduling, helping to ensure reliability while efficiently scheduling resources. In addition, enhanced real-time commitment and continuation of make-whole payments and guarantees will have a positive influence on the IESO's ability to maintain the reliability of electricity service.

#### **Impact on Quality of Electricity Service:**

The Market Settlements, Metering, Market Billing and Funds Administration market rule amendments should have no impact on the quality of electricity service.