

Feedback Form

Transmission Rights Market Review webinar – December 14, 2020

Feedback Provided by:

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Following the December 14, 2020 Transmission Rights Market Review engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the following items discussed during the webinar. Background information related to these feedback requests can be found in the presentation, which can be accessed from the [engagement web page](#).

Please submit feedback to engagement@ieso.ca by January 18, 2021. If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

Feedback Requested

Topic	Feedback
<p>Please provide further comments on the high-value opportunities identified during Stage 2</p>	<p>MAG agrees with the objectives identified by the IESO.</p>
Topic	Feedback
<p>What are the benefits and risks of hedging day-ahead market net interchange scheduling limit (NISL) congestion costs with transmission rights? Please provide detailed examples, evidence and rationale.</p>	<ul style="list-style-type: none"> - In renewed markets, in theory NISL should happen less often because of optimized DAM schedules. This could also be the case in RT because of the optimized scheduled looking at forward hours. However, as market participants will still be able to change their DAM bids and offers on an hourly basis based on external market conditions, imports and exports will still vary between 2 hours. After market renewal, NISL penalty prices will be the same for scheduling and pricing. Depending on the DAM optimization and the bids by market participants, there could be fewer cases of NISL, but always with a price penalty on every intertie. - Since a market participant do not know the other market participants bid/offer before the DAM window closes, there is a risk that hourly bid changes will create a DAM NISL that will create a price penalty. For example, a single participant could choose to offer and clear 800 MW DAM for HE 7, but offer 0 MW for HE 8. This could lead to a NISL that will affect DAM prices for all market participants at every intertie. - In order to mitigate that risk, MAG would advise that the NISL penalty cost should be included in TR market. If we understand correctly, the NISL penalty cost would be the same for every intertie, please confirm if this is correct. TR positions will help market participants hedge against NISL risk. - However, it will not be possible to hedge against RT NISL penalty price. This may lead market participants to withdraw their RT bids if there is a potential risk of NISL in RT. In addition, this may lead to strange interaction for virtual transactions at interties if there is NISL in the DA but not in RT, or a NISL in RT but not in the DA. MAG would like examples for either of those scenarios if possible. - Did the IESO consider the possibility that the NISL could only affect the outcome of the cleared MW in DAM or RT,

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	but not the prices at the intertie? MAG would advise to analyze the possibility to use NISL prices for scheduling, but not use NISL for pricing at the interties. This would prevent market participant being penalized for submitting bids/offers in the market. This could be the best solution.
Topic	Feedback
Please provide comments on the default changes or any other changes required to the TR market as a result of the relevant MRP changes	

General Comments/Feedback

Click or tap here to enter text.