



MARCH 30, 2023

Market Renewal – Energy Project Implementation Market Power Mitigation

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Agenda

1. Update on reference level consultations
2. Updates to the independent review process
3. Updates to market power mitigation documents:
 - Market Rules
 - Market Manuals 14.1 and 14.2
 - FAQ and Worksheets
4. Next steps

Reference Level Consultations Update

- Nuclear, solar, wind effectively completed. Completed some dispatchable load consultations and energy storage consultations
- New variable resources entered the market
- Significant work on hydro and thermal consultations from IESO and market participants:
 - Enhancements to the reference level methodology with regards to hydroelectric resources and thermal resources highlights that this process is not entirely linear
 - Significant contributions from market participants in both identifying incremental enhancements and carrying out data preparation for the workbooks

Updates to Market Power Mitigation Documents

The IESO has continued to evolve the market power mitigation documents in response to information as it has become available:

- Input from the Board of Directors
- Market participant feedback during reference level consultations
- Market participant feedback received in response to other batches
- Internal feedback related to solution development

Updates to the IRP (continued)

- Instead of showing a list of reasons that can lead to IESO rejecting a review, IESO must now only reject a review if it:
 - contains a manifest error that materially affected the review; or
 - would require the IESO to breach the market rules to implement it
- Added participant and IESO right to request reviewer:
 - correct typos, calculation errors, or other similar errors;
 - determine a requested value the reviewer failed to determine; or
 - provide reasons

Updates to Market Power Mitigation Documents

Market Rules:

- Reorganization
- Clarifying language to more clearly align with design intent
- Correcting typos
- Implementing design changes required as a result of solution development
- Conforming changes to bring the rules into alignment (e.g., changing “more than” to “greater than”)

Updates to Market Power Mitigation Documents

- Market Manual 14.1:
 - Details regarding the use of branch group data in constrained area reports and analysis
 - removal of redundant content now found in settlements documents
 - added content clarifying how the physical withholding settlement amounts and intertie economic withholding settlement amounts are determined
 - added content clarifying how the impact test for physical withholding is assessed for energy storage resources
- Market Manual 14.2: Updated content regarding the independent review process in response to comments received during the process to provisionally approve the Market Power Mitigation Market Rules

Updates to Market Power Mitigation Documents

- Blank and Example Thermal Workbooks:
 - Updated the manner in which heat rate curves are provided to the IESO
 - A number of incremental improvements to make it easier for market participants to provide data to the IESO in the desired manner
 - Market participants are encouraged to use the most recent workbooks available when preparing reference level submissions

Updates to Market Power Mitigation Documents

- FAQ:
 - Section 3.2.3: Added an example of how an energy offer reference level for a thermal resource that is a variant C steam turbine resource is determined
- Appendix A6:
 - Added examples of how the impact test for physical withholding is carried out
 - Added examples of how the conduct test for intertie economic withholding is carried out, including the steps to create a combined bid/offer intertie reference level curve

Next Steps

- Clean and redline versions of the relevant Market Rules, Market Manual 14.1 and 14.2 and clean versions of the FAQ document and workbooks have been published on the IESO website: [Implementation Phase Documents \(ieso.ca\)](https://ieso.ca/implementation-phase-documents)
- The redline Market Rules compare the version that was provisionally approved by the IESO Board of Directors to the current version and the readers guide details each proposed change
- Stakeholders are invited to review the updates to these documents and provide written comments related to the incremental changes prior to **April 21, 2023**