

Market Renewal Program Feedback Form

Market Renewal Implementation – IESO Charge Types and Equations – August 4, 2023

Feedback Provided by:

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To promote transparency, feedback submitted will be posted on the Implementation Engagement webpage unless otherwise requested by the sender.

The Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the charge types and equations used in the IESO settlements process for IESO-administered markets. The documents can be accessed from the [Implementation Phase documents webpage](#).

Please submit feedback to engagement@ieso.ca by September 29, 2023. If you wish to provide confidential feedback, please mark the document "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

Charge types and equations

What feedback do you have on the charge types and equations used in the IESO settlements process?

Section / Topic	Feedback
CT144/CT145; CT147/CT148; CT149	<p>The "Equation" section for the five charge types have not been updated to reflect Market Renewal changes. Specifically, the charge types in this revision of the IESO Charge Types and Equations still reflect the usage of Hourly Ontario Energy Price (HOEP), which will be retired and replaced by Locational Marginal Pricing (LMP) upon Market Renewal Go-Live.</p> <p>It is important that the IESO provides the required revisions to these charge types due to the significant financial impact on all market participants. This update should be made as soon as practicable (e.g. in the promised January 2024 revision of the IESO Charge Types and Equations document) to ensure market participant success in implementing changes to the settlement system for Market Renewal.</p>
CT135 and CT136	<p>The parameters RT_ISD and RT_ESD are used in the equations for CT135 and CT136, respectively. However, while the <i>formula</i> for the two parameters have been defined in the Market Renewal IESO Charge Types and Equations document, the full names of RT_ISD and RT_ESD are not listed in Market Renewal Market Rules Chapter 9 nor in the Market Renewal IESO Charge Types and Equations document.</p> <p>Please provide the full name definition for RT_ISD and RT_ESD in the appropriate document(s). For reference, RT_ISD and RT_ESD are fully defined in the baseline version of Market Rules Chapter 9, in Section 3.8C.3.</p>
CT250/CT252/CT254	<p>The operating reserve uplift charge types are still associated with retired charge types CT200, CT202 and CT204 within the document. Additionally, these three operating reserve uplift charge types are also associated with CT206 CT208 and CT210, which are all undefined in this document.</p> <p>Please review and provide clarification to the equations for CT250, CT252 and CT254.</p>

Section / Topic	Feedback
CT251/CT253/CT255	<p>This IESO Charge Types and Equations document does not provide equation definition for the three charge types listed.</p> <p>Market Rules Chapter 9 Section 3.9.2 defines the operating reserve shortfall settlement debit charges as hourly charge. The IESO Charge Types and Equations document defines these charge types at the "Interval" Settlement Resolution.</p> <p>Please clarify the misalignment in settlement resolution between the two documents.</p>
Physical Bilateral Contract (BPC) Submission and Settlement Amount Calculation (CT1100/CT1101/CT1102/CT1103)	<ol style="list-style-type: none"> 1. IESO Charge Types and Equations Section 2.4.2, with reference to Market Rules Chapter 8 Section 2.3 indicates that: <i>Physical bilateral contract data, submitted by selling market participants to the IESO in the day-ahead market and/or real-time market...</i> <p>Please clarify what is meant by submission of PBC contract data in respect to the day-ahead market (DAM) and/or the real-time (RT) market. Does this mean that for each hour, the PBC data to a particular location can be settled using a combination of DAM or RT market depending on the submission timing? Please also clarify if the PBC submission will be ONE submission and that it will be settled based on registered resource type.</p> 2. If a PBC standing contract (e.g. for a 12-month contract term) is submitted ahead of time, will it be settled using the DAM HPTSA_PBC{1} only with no RT HPTSA_PBC{2} balancing adjustments? 3. When submitting PBC contract data, how would a selling market participant find out what is the resource type of the buying market participant? Is it dependent on the registered resource type in the determination of the equation to be used to settle PBC amounts? 4. In the document, PBC charge types CT1100/CT1101/CT1102/CT1103 are defined as HPTSA_PBC(1) and HSPTA_PBC(2) which are based on DAM and RT variables separately, without balancing functions. Please clarify if these charge types only have one applicable formula per submission.
CT1120	The charge type name, RT_NISLRU, is missing from the equation.

Section / Topic	Feedback
CT1350/CT1351	<p>This revision of the IESO Charge Types and Equations removed a series of capacity obligation settlement charge types, such as CT1314, CT1315, etc. However, the removed charge types are still referenced as active charge types under the "Equation" section for CT1350 and CT1351.</p> <p>Please confirm the status of the removed capacity obligation settlement charge types.</p>

General Comments/Feedback

Currently, settlement variable definitions are dispersed throughout Market Rules Chapter 9 Appendices and in the IESO Charge Type and Equations document. This has resulted in inefficiencies in reviewing the documents as reviewers have to spend additional time seeking out the definitions. For ease of reference, OPG proposes that all settlement variable descriptions be collected and placed within a single location, e.g. in an appendix within Market Rules Chapter 9.

OPG thanks the IESO for the opportunity to provide feedback for the IESO Charge Types and Equations document.