

DECEMBER 15, 2020

Market Renewal Program MRP Energy Implementation | Engagement Days

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Today's Objective

- Summarize the discussions from the technology-specific reference level stakeholder engagements and outline next steps
- Summarize feedback from the Market Entry and Prudential Security batch of market rules and manuals



Reference Level and Reference Quantity Methodologies

The Story So Far...

- Engagement on the reference level methodologies began at the Engagement Days meeting in August 2020. Since then...
 - Feedback on the written guide and technology-specific workbooks
 - Revised guide and workbooks, plus example workbooks
 - 6 technology-specific stakeholder engagement sessions

Discussion Themes: Technology-Specific Engagements

Three themes emerged from the discussions:

1. The opportunity cost methodology is a good starting point. Further discussions may be required to address facility-specific circumstances
2. The process for registering a reference level of \$0 should be clear
3. Clarification on expectations regarding specific cost items and supporting documentation would be helpful for market participants as they prepare for one-on-one discussions

Next Steps: Reference Level Methodologies

- **December 18:** Feedback due on the materials for storage, dispatchable hydro, nuclear, and thermal resources
- **January 2021:** IESO to post final written guide and workbooks
 - Market participants can start gathering the information required to complete their workbooks
- **Q1 2021:** One-on-one consultations between the IESO and market participants will begin
 - Draft schedule will be shared in early 2021



Feedback on Market Rules and Manuals

Market Entry and Prudential Security

Feedback Themes

- Draft market rules and manuals published on October 13, 2020
- Three themes emerged from stakeholder feedback:
 1. Registration and dispatch data submission for hydroelectric resources
 2. Prudential support requirements
 3. Engagement strategy

Theme 1: Registration and Dispatch Data for Hydro

Feedback: Clarification questions about how certain registration parameters will be used

Response: The Time Lag parameter and the Start Indication Value parameter will be submitted per resource, regardless of whether it represents one or many units. Time lag values can be updated as part of dispatch data submissions

Revision: Updated Market Manual 1.5 to provide greater clarity, including re-ordering some items and specifying that up to five forbidden regions may be requested

Theme 2: Prudential Support Requirements

Feedback: Seeking further information on how the IESO will assess prudential support for Local Distribution Companies (LDCs), and requesting a design change with respect to surety bonds

Response: The load forecast deviation charge represents a charge that can affect the exposure of a non-dispatchable load, and is therefore incorporated in the assessment of a prudential support obligation. Surety bonds are not an acceptable form of collateral in the new market, as described in the 2016 Prudential Framework Report

Revision: None

Theme 3: Engagement Strategy

Feedback: Requested updates to the engagement plan that would expand engagements beyond market rules and manuals

Response: The IESO will continue working with stakeholders throughout Market Renewal, and will revisit the Implementation Engagement Plan as needed

Revision: Not applicable

Next Steps: Market Rules and Manuals

- Revised market rules and manuals for Market Entry and Prudential Security have been published
- Engagement on future batches will continue throughout 2021

Thank You

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