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**FEBRUARY 23, 2021**

# Market Renewal Program Market Power Mitigation Reference Levels and Reference Quantities: Update

# Agenda

1. Responses to Stakeholder Feedback
2. Updated Materials
3. 1-on-1 Consultations Process
4. Next Steps

# Responses to Stakeholder Feedback

- Reference level and reference quantity technology specific stakeholder engagements concluded in November, 2020
- Written responses to the last round of stakeholder feedback have been posted. This feedback touched on a number of themes:
  - Clarifications
  - Requested modifications
  - Questions about the implementation details of the Independent Review Process

# Updated Materials Posted

- The IESO has updated the following materials with consideration of stakeholder feedback:
  - Written guide
  - Blank workbooks
  - Example workbooks
  - Instruction and FAQ document (new)

# 1-on-1 Consultation Process: Overview

- Shared priority to continue momentum and begin the 1-on-1 consultations now
- Recognize that it can be time-consuming, and in parallel to Market Rule and Market Manual development
- Provide the time for participants to respond, the IESO to review, and any clarifications/discussions needed

# 1-on-1 Consultation Process

The one-on-one consultation process will be carried out per facility. Each consultation will include 5 steps:

1. Kick-off meeting
2. Market participant information gathering
3. Submission
4. IESO review
5. Preliminary view

The IESO is in the process of contacting market participants to communicate the relevant dates for their consultations.

# 1-on-1 Consultation Process: Price-taking Resources

Resources that expect to offer at prices below the no-look threshold (e.g. wind, solar and nuclear) can largely avoid the 1-on-1 consultation process.

- A request for a \$0/MWh reference level can be communicated to the IESO. No supporting materials will be required.
- Still need to discuss the relevant non-financial reference level – the energy or operating reserve ramp rate reference level.

The IESO will communicate with these resources what is needed on ramp rates.

# 1-on-1 Consultation Process: Step 1 - Kick-off Meeting

## **Purpose:**

- Market participant to indicate to IESO which facility will be the focus of the consultation
- IESO to provide the market participant with all the materials required to prepare their reference level and quantity submission
- IESO to answer any process-related questions

**Duration:** 1 hour



# 1-on-1 Consultation Process: Step 2 - Information Gathering

## **Purpose:**

- Market participant to prepare reference level and reference quantity submission, including supporting materials
- IESO to provide support to market participant as needed, with IESO staff and consultant available to answer questions

**Duration:** 8 weeks for 1<sup>st</sup> facility (4 weeks for subsequent facilities).

# 1-on-1 Consultation Process: Step 3 - Submission

**Purpose:** Market participants submit all relevant materials for their requested reference levels and reference quantities to the IESO:

- Requested reference levels;
- cost workbook;
- additional opportunity costs;
- modifications for determining reference quantities; and
- supporting materials

# 1-on-1 Consultation Process: Step 4 - Review

## **Purpose:**

- IESO reviews reference level and reference quantity submission for completeness and correctness
- The IESO may contact the market participant for clarifications, or to request additional supporting information

**Duration:** ~ 8 weeks

# 1-on-1 Consultation Process: Step 5 - Preliminary View

## **Purpose:**

- IESO to provide preliminary view in writing on reference levels and reference quantities for the relevant facility
- The preliminary view is based on all of the relevant information provided to the IESO.
- Preliminary view includes rationale if the IESO's view differs from submission
- IESO staff available to explain rationale as needed

# After the 1-on-1 Consultation Process

- Following a one-on-one consultation:
  - Market participant assessment of whether or not use of the IRP is needed
  - Reference levels and reference quantities will be registered

## Next Steps

- IESO will continue to contact market participants to notify them of the timing of their 1-on-1 consultations
- IESO and market participants will carry out the consultations as per the schedule
- IESO will update stakeholders on progress in May, and continue development efforts on Market Rules and Manuals



# Questions?

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# Thank You

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