

# Market Power Mitigation Reference Levels and Reference Quantities Engagement Kick-off

MRP Energy Implementation | Engagement Days

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August 27, 2020

# Today's Objective

- Share the IESO's plan for engaging with stakeholders on the reference level and reference quantity methodologies
- Support stakeholders in their review of the draft written guide and workbooks

# Background

- Reference levels and reference quantities play an important role in the Market Power Mitigation framework
  - See the Market Power Mitigation detailed design document for more information
- Establishing appropriate reference levels is a high priority for both stakeholders and the IESO

# Objective of Reference Level Methodology Engagement

- Document how reference level and reference quantity values will be established for resources in the future market
  - Actual values for individual resources will be established through 1:1 consultations between the IESO and market participants

# Engagement Materials

The methodology for establishing reference levels and reference quantities will be documented in two types of files:

1. A written guide (1)
2. Technology-specific workbooks (7)
  - i. Dispatchable hydro
  - ii. Dispatchable loads
  - iii. Energy storage
  - iv. Nuclear
  - v. Solar
  - vi. Thermal
  - vii. Wind

# Engagement Materials: **Written Guide**

- The written guide describes the approach for developing financial and non-financial reference levels and reference quantities
  - Lists eligible costs for inclusion in financial reference level calculations
  - Identifies technology-specific treatment for reference levels and reference quantities
- The written guide will inform the draft market manuals and provide information on how eligible costs contribute to reference levels

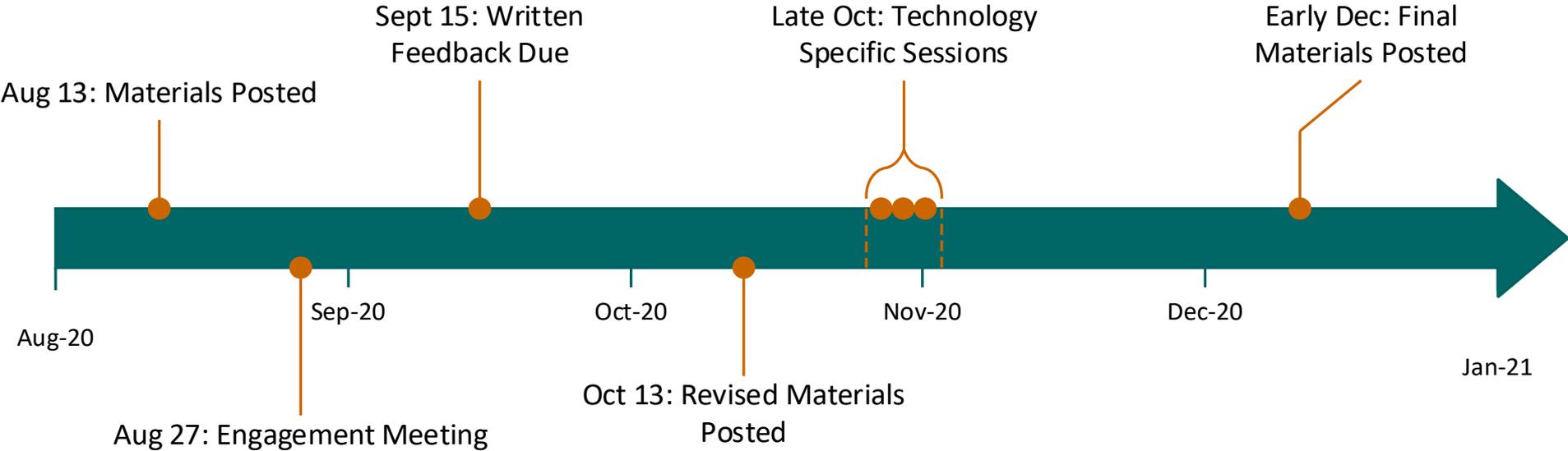
# Engagement Materials: **Written Guide**

- IESO retained an engineering services provider (Hatch) to help inform the technical aspects of the approach in the written guide
- Eligible costs are incurred as a result of incremental supply of energy or operating reserve
- Costs that do not vary with the amount of energy or operating reserve supplied are not eligible

# Engagement Materials: **Workbooks**

- The IESO has developed seven workbooks, one for each technology type
  - Dispatchable hydro, dispatchable loads, energy storage, nuclear, solar, thermal, and wind
- The workbooks are for market participants to complete and submit to the IESO along with supporting documentation
  - Workbooks will be used for the 1:1 consultations between market participants and the IESO
  - Registering very low reference levels will result in less required supporting materials and less time during 1:1 consultations.

# Reference Level Engagement Timeline



# Stakeholder Feedback: **Guide & Workbooks**

- When reviewing the materials, the IESO would like stakeholders to consider the following:
  - Sections that require clarification or greater specificity
  - Any costs that were not addressed in the document
  - Alternate approaches for costs which are addressed in the document
- Stakeholder feedback on the written guide and workbooks is due on **September 15, 2020**

# Technology-Specific Engagements

The IESO will schedule engagement sessions to discuss technology-specific questions and considerations

Date	Technology Type
<b>Late October 2020</b>	Thermal
	Dispatchable Hydro
	Nuclear
	Wind
	Solar
	Energy Storage
	Dispatchable Loads

# Technology-Specific Engagements

- **Objective:** The focus of these sessions will be to discuss revisions that have been made as the result of stakeholder feedback in September and consider additional input on the revised documents during the session
- **Approach:** Revised versions of the written guide and technology-specific workbooks will be posted two weeks in advance of each session. The materials are required reading for resources who manage those technology-types in the IESO Administered Markets

# Technology-Specific Engagements

- **Format/Duration:** These technology-specific sessions are expected to be two hours in length and consist of the IESO providing an overview of the feedback received and changes that were made to the original materials as well as time for stakeholders to seek clarification through a Q&A
- **Feedback:** Stakeholders will have the opportunity to submit written feedback after each session which may result in additional changes to the guide and workbooks.
- **Dates:** The IESO will release a meeting schedule by mid-September to allow resources to plan their attendance

# Next Steps

- September 15: Written feedback due on the written guide and workbooks
- Technology-specific engagements will be scheduled in late October 2020
  - Revised materials will be posted two weeks in advance
- Early December: Post final written guide and workbooks
- To register for any of the engagement sessions, including the technology-specific sessions, please email [engagement@ieso.ca](mailto:engagement@ieso.ca)