

# Overview: MRP Amendments to the SHP Documents

The IESO's planned launch date for MRP, currently slated for May 1, 2025, is fast approaching, and the IESO's Board of Directors has provisionally approved all market rule amendments to implement MRP. Technical Panel unanimously recommended the Board issue final approval of the amendments, which is expected to occur later this Fall. Changes are required to the SHP forms of contract in order to ensure consistency with the provisionally approved market rules and ensure a smooth transition to the renewed market. The IESO plans to make the following changes to the contracts:

## Changes to Both the SHP Contract (Stream 1) and SHP-AR Contract (Stream 2)

- Add a new section 8.2 to address how the contract will be applied in the event that after the Market Rule Effective Time, there is a need to roll back to the legacy Market Rules. This possibility is addressed in the IESO's MRP transition strategy.
- Amend the definition of "Applicable Real-Time Locational Marginal Price" (ARTLMP) to align with the IESO's MRP transition strategy which will feature the use of administered prices during the market transition.
- Add a definition for "Applicable Day-Ahead Locational Marginal Price" that mirrors the definition for ARTLMP.
- Amend the defined term "Market Renewal Effective Date" to "Market Renewal Effective Time" and change the definition to more clearly specify the precise time at which settlement under the renewed market will commence, in order to align with the IESO's MRP transition strategy.
- Amend the definition of HOEP that is applicable after the Market Renewal Effective Time to:
  - 1. Specify that facilities that do not participate in the market will be settled on the Ontario Energy Board's (OEB) Retail Settlement Code price, in order to maintain alignment with how other distribution-connected, non-market participant IESO contracts will be settled. A corresponding definition for "Retail Settlement Code Price" is also added. More information on the IESO's approach to settling distribution-connected, non-market participant contracts is available [here](#).
  - 2. Align the treatment of self-scheduling and dispatchable facilities to account for market rule amendments that specify that both types of facility will be subject to the same market settlement post-MRP.

- Clarify the calculation of the Contract Payment in Exhibit B of the SHP Contract and Exhibit B-2 of the SHP-AR Contract so that it can be implemented post-MRP.

## Changes to SHP-AR Contract Only

- Replace Exhibit B-1, Type 1 section 1.7 with a new section 1.7 that is consistent with the finalized term sheet IESO is proposing to amend all HCI contracts to account for MRP, which can be viewed [here](#).
- Replace the entirety of Exhibit B-1, Type 4 with new provisions that reflect the fact that the Supplier shall be the Metered Market Participant (MMP) for the Facility during the Original Term of the SHP-AR contract, as opposed to the IESO acting as MMP. Section 1.7 of the new exhibit is consistent with the standard MRP term sheet IESO is proposing to amend all RES hydroelectric contracts for which Supplier is MMP. Please contact the IESO's Contract Management team if you wish to learn more about this term sheet at [mr.contractmanagement@ieso.ca](mailto:mr.contractmanagement@ieso.ca).
- Add new defined terms from Exhibits B-1 Type 1 and Type 4 to Appendix 1 – Definitions.

Further detail about the provisionally approved market rule amendments and the IESO's transition strategy can be found on the IESO's MRP [webpage](#).

The IESO is posting these changes for comment for a period of two weeks, ending on October 15, 2024. To avoid entering into out-of-date contracts during this period, the IESO will pause issuance of SHP contract offers until the above changes are finalized.