

PROCEDURE

Market Manual 5: Settlements **Part 0.5.5: IESO- Administered Markets Settlement Amounts**

~~Issue 2.1~~~~Issue 2.0~~

~~December 3, 2025~~~~April 25, 2025~~

This procedure describes the *settlement amounts* associated with the *IESO-administered markets*.

Note – Excerpt of Market Manual 0.5.5 highlights the associated manual changes that will be presented at the August 19, 2025 stakeholder engagement meeting.

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2.3 Day-Ahead Market Make-Whole Payment (DAM_MWP)

(MR Ch.9 s.3.4)

Overview of DAM_MWP - The purpose of the *day-ahead market* make-whole payment *settlement amount* (DAM_MWP) is to provide compensation to *dispatchable loads, price responsive loads, energy traders* participating with *boundary entity resources, dispatchable electricity storage resources, self-scheduling electricity storage resources* that are registered to withdraw, and *dispatchable generation resources* that receive a *day-ahead schedule* for *energy* or *operating reserve* that deviates from their economic operating point.

When this occurs, the *market participant* might incur a lost cost where the economic operating point is less than the *market participant's day-ahead schedule*. DAM_MWP will allow the *market participant* to recover losses associated with its *day-ahead schedule* being greater than its economic operating point.

As described in **MR Ch.9 s.3.4**, the DAM_MWP will be determined based on the difference in operating profit between the *resource's* economic operating point and *day-ahead schedule*, and will ensure that the *market participant* is compensated for those losses.

~~**DAM_MWP bid price adjustment** - A *dispatchable load, price responsive load, dispatchable electricity storage resource* that is registered to withdraw or an *energy trader* participating with a *boundary entity resource* - exports, may have their *bid price* adjusted in accordance with **MR Ch.9 s.3.4.3.2**. The relevant price used in this adjustment process is ~~\$125/MWh for exporters and \$15/MWh for the other types of resources.~~~~

DAM_MWP uplift - All costs associated with DAM_MWP will be recovered through the *day-ahead market* uplift (DAM_UPL).

DAM_MWP and mitigation - DAM_MWP will incorporate any required adjustment and mitigation test results into the calculation as described in [section 4.4](#).

DAM_MWP charge types - The *IESO* will determine a *settlement amount* under the following *charge types*.

Table 2-1: Day-Ahead Market Make-Whole Payment Settlement Amounts

Component	Charge Type Number	Charge Type Name
Component 1 – Energy	1800	Day-Ahead Market Make-Whole Payment – Energy
Component 2	1801	Day-Ahead Market Make-Whole Payment – 10-Minute Spinning Reserve

Component	Charge Type Number	Charge Type Name
– Operating Reserve	1802	Day-Ahead Market Make-Whole Payment – 10-Minute Non-Spinning Reserve
	1803	Day-Ahead Market Make-Whole Payment – 30-Minute Operating Reserve

DAM_MWP is payment only - As described in **MR Ch.9 s.3.4**, the calculation of each component, for a given *settlement hour*, may result in either a charge or credit *settlement amount*. However, DAM_MWP will only be paid when the sum of all components, as may be applicable, for the *settlement hour* is positive (greater than zero).