



## Market Manual 5: Settlements

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# Part 5.8: Settlement Invoicing

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**Issue 17.2**  
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This *market manual* is provided for stakeholder engagement purposes. Please note that additional changes to this document may be incorporated as part of future engagement in MRP or other *IESO* activities prior to this *market manual* taking effect.

This procedure provides information required by the *IESO* to prepare and issue *settlement invoices* to *market participants* and for *market participants* to retrieve and process *settlement invoices* for the *IESO-administered markets*.

## Document Change History

Issue	Reason for Issue	Date
1.0	Unapproved version released for Baseline 3	June 19, 2000
2.0	Unapproved version released for Baseline 4	October 2, 2000
3.0	Unapproved version released for Baseline 5	December 15, 2000
4.0	Unapproved version released for Baseline 6.1	March 26, 2001
5.0	Issue released for Baseline 6.2	May 22, 2001
6.0	Issue released for Baseline 6.3	July 6, 2001
7.0	Issue released for Baseline 6.6	November 26, 2001
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11.0	Update to Baseline 20.0	September 10, 2008
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14.0	Update to Baseline 31.1	June 4, 2014
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16.0	Updated to meet accessibility requirements pursuant to the <i>Accessibility for Ontarians with Disabilities Act</i> for Baseline 44.1	December 2, 2020
17.0	Updated for May 1, 2023 in advance of Baseline 49.1. This document merges content from Market Manuals 5.6: Physical Market Settlement Invoicing and 5.8: Financial Markets Settlement Invoicing	May 1, 2023
17.1	Updated for MRP	September 7, 2023
<a href="#">17.2</a>	<a href="#">Updated for MRP – Final Alignment</a>	<a href="#">June 7, 2024</a>

## Related Documents

Document ID	Document Title

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# Table of Changes

Reference	Description of Change
<u>Throughout</u>	<u>Changes made to conform to the new MRP style and convention for <i>market manuals</i>.</u>
<u>Section 1.3</u>	<u>Table 1-1 updated language for reference to rounds of any <i>TR auction</i> to align with <i>market rules</i>.</u>

## Market Transition

A.1.1 This *market manual* is part of the *renewed market rules*, which pertain to:

A.1.1.1 the period prior to a *market transition* insofar as the provisions are relevant and applicable to the rights and obligations of the *IESO* and *market participants* relating to preparation for participation in the *IESO administered markets* following commencement of *market transition*; and

A.1.1.2 the period following commencement of *market transition* in respect of all the rights and obligations of the *IESO* and *market participants*.

A.1.2 All references herein to chapters or provisions of the *market rules* or *market manuals* will be interpreted as, and deemed to be references to chapters and provisions of the *renewed market rules*.

A.1.3 Upon commencement of the *market transition*, the *legacy market rules* will be immediately revoked and only the *renewed market rules* will remain in force.

A.1.4 For certainty, the revocation of the *legacy market rules* upon commencement of *market transition* does not:

A.1.4.1 affect the previous operation of any *market rule* or *market manual* in effect before the *market transition*;

A.1.4.2 affect any right, privilege, obligation or liability that came into existence under the *market rules* or *market manuals* in effect prior to the *market transition*;

A.1.4.3 affect any breach, non-compliance, offense or violation committed under or relating to the *market rules* or *market manuals* in effect prior to the *market transition*, or any sanction or penalty incurred in connection with such breach, non-compliance, offense or violation

A.1.4.4 affect an investigation, proceeding or remedy in respect of,

(a) a right, privilege, obligation or liability described in subsection A.1.4.2, or

(b) a sanction or penalty described in subsection A.1.4.3.

A.1.5. An investigation, proceeding or remedy described in subsection A.1.4.3 may be commenced, continued or enforced, and any sanction or penalty may be imposed, as if the *legacy market rules* had not been revoked.

## Market Manual Conventions

The standard conventions followed for *market manuals* are as follows:

- The word 'shall' denotes a mandatory requirement;
- References to *market rule* sections and sub-sections may be abbreviated in accordance with the following representative format: '**MR Ch.1 ss.1.1-1.2**' (i.e. *market rules*, Ch.1, sections 1.1 to 1.2);
- References to *market manual* sections and sub-sections may be abbreviated in accordance with the following representative format: '**MM 1.5 ss.1.1-1.2**' (i.e. *market manual* 1.5, sections 1.1 to 1.2);
- Internal references to sections and sub-sections within this manual take the representative format: 'sections 1.1 – 1.2';
- Terms and acronyms used in this *market manual* in its appended documents that are italicized have the meanings ascribed thereto in **MR Ch.11**;
- All user interface labels and options that appear on the *IESO* gateway and tools are formatted with the bold font style; and
- Data fields are identified in all capitals.

– End of Section –

# 1. Introduction

## 1.1. Purpose

This *market manual* provides administrative and procedural details to the *market rules* governing the issuance of *settlement invoices*, including supplementary information relevant to understanding the rights and obligations of the *IESO* and *market participants*.

*Market manuals* must be read in conjunction with the applicable *market rules*. Where there is a conflict between a *market manual* and the *market rules*, the *market rules* shall prevail.

## 1.2. Scope

This *market manual* describes the process for the *IESO* to prepare and issue *settlement invoices* relating to the *physical markets* and financial markets, and *market participants* to retrieve, interpret and process payment for the respective *settlement invoice*.

This *market manual* supplements the following *market rules*:

- MR Ch.9 s.6.3: Settlement Cycles
- MR Ch.9 s.6.12: Settlement Invoices
- MR Ch.9 s.6.13: Payment of Invoices

## 1.3. Overview

The following markets form the *IESO-administered markets*:

**Table 1-1: IESO-Administered Markets**

Market Type	Transactions
<i>Physical market</i>	<ol style="list-style-type: none"> <li>1. <i>Day-Ahead Market</i> <ol style="list-style-type: none"> <li>a. <i>energy</i> transactions</li> <li>b. <i>operating reserve</i> transactions</li> </ol> </li> <li>2. <i>Real-Time Market</i> <ol style="list-style-type: none"> <li>a. <i>energy</i> transactions</li> <li>b. <i>operating reserve</i> transactions</li> </ol> </li> <li>3. <i>Procurement Market</i> <ol style="list-style-type: none"> <li>a. <i>Contracted ancillary services</i>, including <i>regulation</i>, <i>voltage control</i> and <i>reactive support services</i>, <i>black-start capability</i>, and for <i>reliability must-run contracts</i></li> </ol> </li> </ol>

Market Type	Transactions
	4. Payments to <i>TR holders</i> <sup>1</sup> 5. <i>Virtual Transactions</i> <sup>2</sup>
Financial market	1. <i>Transmission Rights Market (TR Market)</i> a. transactions <del>in-for</del> all rounds of any <i>TR auction</i> <sup>3</sup>

## 1.4. Contact Information

Changes to this *market manual* are managed via the [IESO Change Management process](#). Stakeholders are encouraged to participate in the evolution of this *market manual* via this process.

As part of the participant authorization and registration process<sup>4</sup>, *market participants* are required to identify a Settlements Contact. If a *market participant* has not identified a specific contact, the *IESO* will seek to contact the Primary Contact for activities within this procedure, unless alternative arrangements have been established between the *IESO* and the *market participant*.

To contact the *IESO*, *market participants* can email *IESO* Customer Relations at [customer.relations@ieso.ca](mailto:customer.relations@ieso.ca) or use telephone or mail. Telephone numbers and the mailing address can be found on the [IESO website](#). *IESO* Customer Relations staff will respond as soon as possible. *Market participants* are to use this contact information if there is a specific inquiry regarding a *settlement invoice*.

*Market participants* should note that *invoice* payments are due on the *market participant payment date* regardless of any outstanding queries or disputes regarding the *settlement invoice*, except where the *invoice* relates to financial penalties<sup>5</sup>.

– End of Section –

<sup>1</sup> Excludes *settlement amounts* relating to transactions in all rounds of any *TR auction* which will appear on the financial market *settlement statement* and *invoice*.

<sup>2</sup> *Virtual transactions*, although part of the financial market, will be *settled* as part of the *physical market* and will appear on the *physical market settlement statements* and *invoices*.

<sup>3</sup> For more information on the *TR auction* process, refer to ~~MM 4.4~~ [MM 4.4: Transmission Rights Auction](#). Only those *settlement amounts* relating to transactions ~~in-for~~ all rounds of any *TR auction* will appear on the financial market *settlement statement*.

<sup>4</sup> Refer to ~~MM 1.5~~ [MM 1.5: Market Registration Procedures](#) for adding and updating contact roles with the *IESO*.

<sup>5</sup> In the case of a dispute relating to a financial penalty, the obligation to settle the penalty payment may be deferred until the dispute is resolved in accordance with the dispute resolution process set out in ~~MM 2.1~~ [MM 2.1: Dispute Resolution](#).

## 2. Issuance and Payment of Settlement Invoices

(MR Ch.9 ss.6.12-6.13)

**Location of SSPC** - ~~Annually, the IESO publishes the IESO Settlement Schedule and Payments Calendar~~ (SSPC) ~~is published in accordance with MR Ch.9 s.6.2, and that~~ specifies the dates for:

- issuance of *settlement invoices*, and
- payment dates of *settlement invoices*.

The SSPCs for both markets are posted on the [Calendars](#) page of the [IESO website](#).

### 2.1. Issuing Settlement Invoices

(MR Ch.9 s.6.12)

**Invoice data** - The IESO must, on the date specified in the SSPC, issue an *invoice* to each *market participant* who has undertaken a transaction in the *physical markets* or financial market during the *billing period*. The *billing period* is determined as follows:

- *physical market*: a calendar month
- financial market: a trading week <sup>6</sup>.

All *settlement* transactions are *invoiced*<sup>7</sup> according to the available *settlement* data, as previously issued on *preliminary settlement statements*, *final settlement statements*, and/or *recalculated settlement statements*, during the applicable *billing period* in accordance with **MR Ch.9 s.6.12**.

**Charge type details** - For details on which *charge types* will appear on a *physical market settlement invoice* and a financial market *settlement invoice*, refer to **MM 5.5 and MM 5.6**, ~~the following market manuals:~~

- ~~MM 5.5: IESO Administered Markets Settlement Amounts~~
- ~~MM 5.6: Non-Market Settlement Programs~~

For a complete listing of all *charge types*, refer to ~~IESO Charge Types and Equations~~ **IESO Charge Types and Equations**.

<sup>6</sup> A *trading week* is seven consecutive *trading days* starting on, and including, the Sunday.

<sup>7</sup> Refer to [Introduction to the IESO Settlement Process](#) available on the IESO [Marketplace Training](#) webpage.

**Debit/credit invoices** - The *IESO* will issue a:

- debit *settlement invoice* where a net payment is due to the *IESO* from a *market participant*, and the *market participant* is required to submit payment to the *IESO*;
- credit *settlement invoice* where a net payment is due to the *market participant* from the *IESO* and is for information only as the *market participant* is not required to submit payment to the *IESO*.

**Manual invoices** - The *IESO* may also produce manual *invoices*, on an as-needed basis, for various costs that are not addressed by the *settlement charge types* that form part of the applicable *settlement statements*, including. ~~These may include (but are not restricted to) costs relating to:~~

- interest charged on late payments;
- default charges;
- costs relating to arbitration; and
- compliance penalties.

#### **Physical Market**

**Invoices for physical market** - The *IESO* will issue a *settlement invoice* for the *physical market* in accordance with **MR Ch.9 s.6.3.19**. The *physical market settlement invoice* will include all *market participant* payments due to the *IESO* and all *IESO* payments due to *market participants* for all *settlement charge types* that appear on a *physical market settlement statement*.

Where a *final settlement statement* is not yet available for days within the *billing period*, *preliminary settlement statements* will be used to prepare the *invoice*. Any net difference between the *preliminary settlement statements* and the subsequent *final settlement statements* will be reflected in the *invoice* for the next *billing period*.

#### **Financial Market**

**Invoices for financial market** - The *IESO* will issue a *settlement invoice* for the financial market in accordance with **MR Ch.9 s.6.3.8**. The financial market *settlement invoice* will include all *market participant* payments due to the *IESO* and all *IESO* payments due to *market participants* for all *settlement charge types* that appear on a financial market *settlement statement*.

## 2.2. Payment of Settlement Invoices

(MR Ch.9 s.6.13)

**Overview of payment dates** - *Market participants* should note that *invoice* payments are due on the *market participant payment date* regardless of any outstanding queries or disputes regarding the *settlement invoice*, in accordance with **MR Ch.9 s.6.13.1**, except

where the *invoice* relates to financial penalties<sup>8</sup>. The *market participant payment date* is as follows:

- financial market: second *business day* following the issuance of the *invoice*, in accordance with **MR Ch.9 s.6.3.9**
- *physical market*: second *business day* following the issuance of the *invoice*, in accordance with **MR Ch.9 s.6.3.20**.

**Payment process -** The process by which payments are made for all *settlement invoices* issued by the *IESO* is detailed in **MM 5.9** ~~MM 5.9: Settlement Payment Methods and Schedule~~.

– End of Section –

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<sup>8</sup> In the case of a dispute relating to a financial penalty, the obligation to settle the penalty payment may be deferred until the dispute is resolved in accordance with the dispute resolution process set out in **MM 2.1** ~~MM 2.1: Dispute Resolution~~.

## 3. Retrieving Settlement Invoices

**Retrieving settlement invoices** - *Market participants* are responsible for retrieving and downloading their *settlement invoices*, ~~which are available in the XML format,~~ from the [IESO Reports site](#).

For information on how to download *settlement invoices*, refer to [Retrieving Reports via the IESO Reports Site](#) available under the Quick Takes section on the [IESO Marketplace Training](#) webpage.

For additional information on using an application programming interface (API) to automatically retrieve reports from the IESO Reports site, refer to the following documents:

- [IESO Reports Site – Access Interfaces for Confidential Reports](#) available under the IESO Reports API Guide section on the [Technical Interfaces](#) webpage;
- [Outbound Automated Document -Application Programming Interface](#) available under the XML and Automated Documents section on the [Technical Interfaces](#) webpage; and
- ~~MM 6~~ [Market Manual 6: Participant Technical Reference Manual](#) available on the [Market Rules and Manuals](#) webpage.

### 3.1. Failure in Accessing Settlement Invoice

(MR Ch.9 ss.6.12.4-6.12.5)

~~Settlement invoices are considered issued when the IESO has made them accessible to market participants on the IESO Reports site, in accordance with the dates specified in the SSPC.~~

**Contacting the IESO about missing settlement invoices** - ~~If a market participant To~~ notify the IESO, in accordance with **MR Ch.9 s.6.12.4**, that an *invoice* was not received, ~~market participant fails to receive a settlement invoice on the date specified in the SSPC, it is the responsibility of the market participant can to contact~~ notify the IESO, in accordance with ~~MR Ch.9 s.6.12.4, via~~ IESO Customer Relations at [customer.relations@ieso.ca](mailto:customer.relations@ieso.ca) or by calling the telephone number provided on the [IESO website](#) on the [Contact](#) page. The IESO will assume that a *market participant* has been able to retrieve their *settlement invoice* from the IESO Reports site unless the *market participant* notifies the IESO to the contrary.

**Investigation into missing settlement invoices** - When a *market participant* notifies the IESO that no *settlement invoice* was issued ~~for a given billing period~~ in accordance with the SSPC, the IESO will investigate the matter. The IESO will provide the *market participant* with an explanation and, if necessary re-issue the appropriate *invoice* in accordance with **MR Ch.9 s.6.12.5**. The *settlement invoice* will be considered to be received on the date that the re-issued *invoice* is submitted to the *market participant*.

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## 4. Interpreting and Reviewing Settlement Invoices

(MR Ch.9 s.6.12.2)

**Content of invoices** - At a minimum, the *settlement invoice* will contain a unique *invoice* number and, in accordance with **MR Ch.9 ss. 6.12.1-6.12.2**, the following information:

- the dollar amounts which are to be paid by, or to the *market participant*, identified by *charge type* and a description of the charge;
- the *market participant payment date* by which such amounts (if any) are to be paid by the *market participant*, no later than the *close of banking business* of the bank at which the *IESO settlement* clearing account is held; and
- details of the *IESO settlement* clearing account - including the bank name, the account number and *electronic funds transfer* instructions - to which any amounts owed by the *market participant* are to be paid.

For a sample *settlement invoice* and additional information regarding the *settlement invoice*, refer to [The Market Participant Invoice - Report Format](#) document located under Funds Administration on the [Technical Interfaces](#) webpage.

Manual *invoices* will have the same format as ~~a regular settlement invoices~~ but will have manual line entries in place of the standard *charge types* ~~that appear on the settlement invoice~~, except where the *invoice* relates to financial penalties<sup>9</sup>. *Market participants* will be notified that a *manual invoice* is available for retrieval when released by the *IESO* via the *IESO Report*s Site.

### 4.1. Reviewing Settlement Invoices

It is the responsibility of the *market participant* to review the *settlement invoice* and:

- identify any payment errors, and/or
- determine if there are any questions regarding the *invoice*.

Any questions ~~or other inquiries~~ regarding the *settlement invoice* may be directed to *IESO* Customer Relations as per [section 1.4](#).

– End of Section –

<sup>9</sup> In the case of a dispute relating to a financial penalty, payment may be deferred until the dispute is resolved in accordance with the dispute resolution process set out in ~~MM 2.1~~ [MM 2.1: Dispute Resolution](#).

## 5. Invoice Delays and Estimated Invoices

(MR Ch.9 ss.6.3.27-6.3.29 and Ch.9 s.6.3.32)

**Invoice delay process** - Where the *IESO* determines that significant inaccuracies exist in a *preliminary settlement statement* for a *trading day* (or another, unrelated reason), it may delay the issuance of one or more that settlement statements in accordance with MR Ch.9 ss.6.3.24-6.3.26 from the dates specified in the SSPC. In such a situation, the *IESO* will *publish* a notice of delay. Refer to MM 5.7MM 5.7: Settlement Process for more information on this process.

In accordance with **MR Ch.9 s.6.3.27**, the *IESO* may determine that a delay in issuing a *settlement statement* will prevent the *IESO* from issuing the *invoice* for a *billing period* on, or within one *business day* of, the date specified in the *SSPC*<sup>10</sup>. In such situations, the *IESO* will issue an estimated *invoice* to *market participants* within two *business days* of the date specified in the *SSPC* in accordance with **MR Ch.9 s.6.3.29**.

Where the *IESO* delays issuing an *invoice*, as described above, it will *publish* a notice that indicates whether the *IESO* intends to delay the *market participant payment date* and the *IESO payment date* associated with the delayed *invoice* by one *business day* from that specified in the *SSPC*. The notice of revised *payment dates* will be *published* on the *IESO* website.

**Reconciliation of estimate invoices** - Where an estimated *invoice* is issued to a *market participant*, the *IESO* will adjust the *invoice* for the *market participant* covering the next *billing period* in accordance with **MR Ch.9 s.6.3.32** to reflect any net difference between the estimated *invoice* and the *invoice* that would have been issued if the estimating process had not been required.

– End of Section –

<sup>10</sup> Part of the information provided in the notice of delay for a *settlement statement* is whether the *IESO* intends to invoke the estimated *invoice* process. Other reasons for delaying an invoice would include market system problems.

# Appendix A: Forms

This appendix contains a list of forms associated with this procedure, which are available on the [IESO website](#). The forms included are as follows:

Table A-1: Forms

Form Name	Form Number
N/A	

– End of Section –

## References

Document ID	Document Title
MDP_RUL_0002	Market Rules
PRO-408	Market Manual 1: Connecting to Ontario's Power System, Part 1.5: Market Registration Procedures
MDP_PRO_0017	Market Manual 2: Market Administration, Part 2.1: Dispute Resolution
MDP_PRO_0029	Market Manual 4: Market Operations, Part 4.4: Transmission Rights Auction
MDP_PRO_0033	Market Manual 5: Settlements, Part 5.5: IESO-Administered Markets Settlement Amounts
MDP_PRO_0035	Market Manual 5: Settlements, Part 5.6: Non-Market Settlement Programs
MDP_PRO_0046	Market Manual 5: Settlements, Part 5.7: Settlement Process
MDP_PRO_0036	Market Manual 5: Settlements, Part 5.9: Settlement Payment Methods and Schedule
IMP_LST_0001	IESO Charge Type and Equations
IMO_MAN_0024	Market Manual 6: Participant Technical Reference Manual
IMP_REP_0049	The Market Participant Invoice – Report Format
Quick Take	Retrieving Reports via the IESO Reports Site
IMO_SPEC_0100	Outbound Automated Document: Application Programming Interface
Training Guide	IESO Reports Site – Access Interfaces for Confidential Reports
Training Guide	Introduction to the IESO Settlement Process

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