

Market Renewal Program Update

Stakeholder Advisory Committee

February 11, 2020

Recent Events / Updates

- Energy detailed design engagement approach
 - Technical sessions on specific topics prior to publishing draft detailed design documents ongoing
 - Offer engagement meetings on the full set of detailed design documents once published (occurred on Jan 28 & Feb 3)
- MRP Energy, status update
 - Focus for 2020 is continuing work on the design phase
 - Held nine successful engagement sessions since September
 - Later this year, upon completion of detailed design, begin engagement on the proposed market rules and manuals required to implement MRP

Engagement on Detailed Design

Engagement on the energy stream detailed design included **Technical Sessions** to compliment the more traditional meeting/webinar format.

- Objective: Inform the detailed design documents to ensure the IESO was aware of viewpoints or concerns in advance of publishing the draft design
- Format: Participants were provided reading material in advance, to lead to and active discussion on specific aspects of design in a focused setting
- Outcome: IESO has found the input and discussions prior to and during the technical sessions to be very informative and helpful in completing draft design documents
- Next Meetings: Detailed discussion on Negative Pricing (Feb 13) and Pseudo Units (Feb 27)

Detailed Design Release Schedule

Date	Design Document Topics
November 28, 2019	<ul style="list-style-type: none">• Overview• Authorization and Participation• Prudential Security• Facility Registration• Revenue Meter Registration• Market Billing and Funds Administration
March 26, 2020	<ul style="list-style-type: none">• Market Power Mitigation• Publishing and Reporting Market Information
May 5, 2020	<ul style="list-style-type: none">• Grid and Market Operations Integration• Offers, Bids and Data Inputs• Market Settlements
July 27, 2020	<ul style="list-style-type: none">• Day-Ahead Market Calculation Engine• Pre-Dispatch Calculation Engine• Real-Time Calculation Engine

Next steps

- Stakeholder feedback on the November release of detailed design documents is due by early March
 - Feedback received will be posted with an IESO response
 - May necessitate further consultation with stakeholders
- Next batch of energy detailed design documents to be released on March 26
- To register for MRP engagement sessions, please contact engagement@ieso.ca

Capacity Auction Update

Update for Stakeholder Advisory Committee

Outcome of OEB decision (TCA Phase 1 Rules)

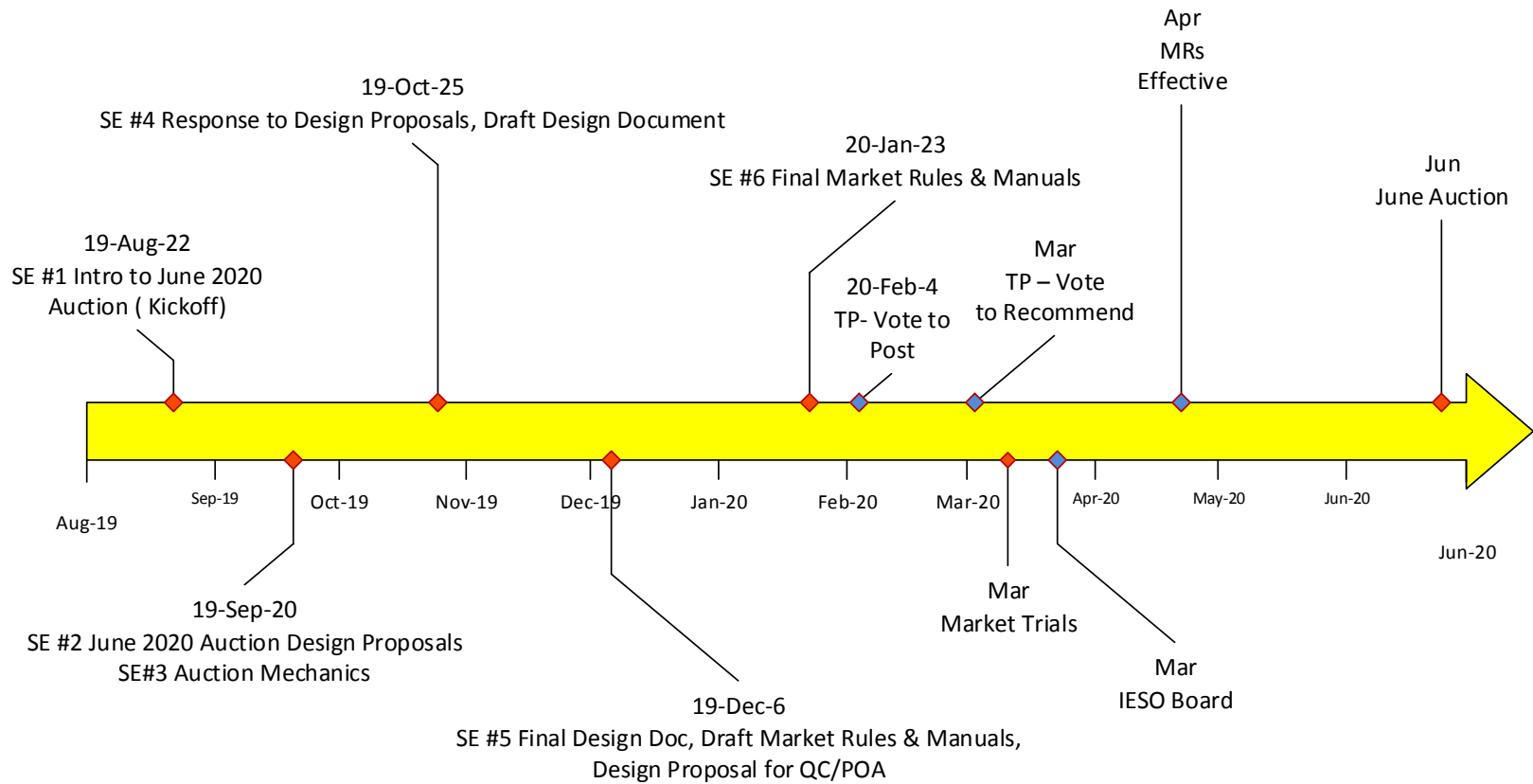
- On January 23, OEB issued a decision to lift the stay of the operation of the capacity auction market rule amendments
- IESO will move forward with evolving the demand response auction into a broader capacity auction
- While the stay is lifted, this decision does not impact those who participated in the December 2019 Auction

June 2020 Auction

- The first Capacity Auction will take place in June 2020 and include participation from:
 - demand response providers
 - dispatchable generators with expired contracts
 - system-backed imports
 - storage resources without existing capacity contracts
- Engagement on design which included a review of the proposed market rules (and market manuals) for Technical Panel was completed in January 2020
- The IESO's Technical Panel reviewed the proposed June 2020 auction market rules at its February 4 meeting and recommended to post for stakeholder comment

Timeline – June 2020 Capacity Auction

Capacity Auction Stakeholder Engagement Schedule – June 2020 Auction



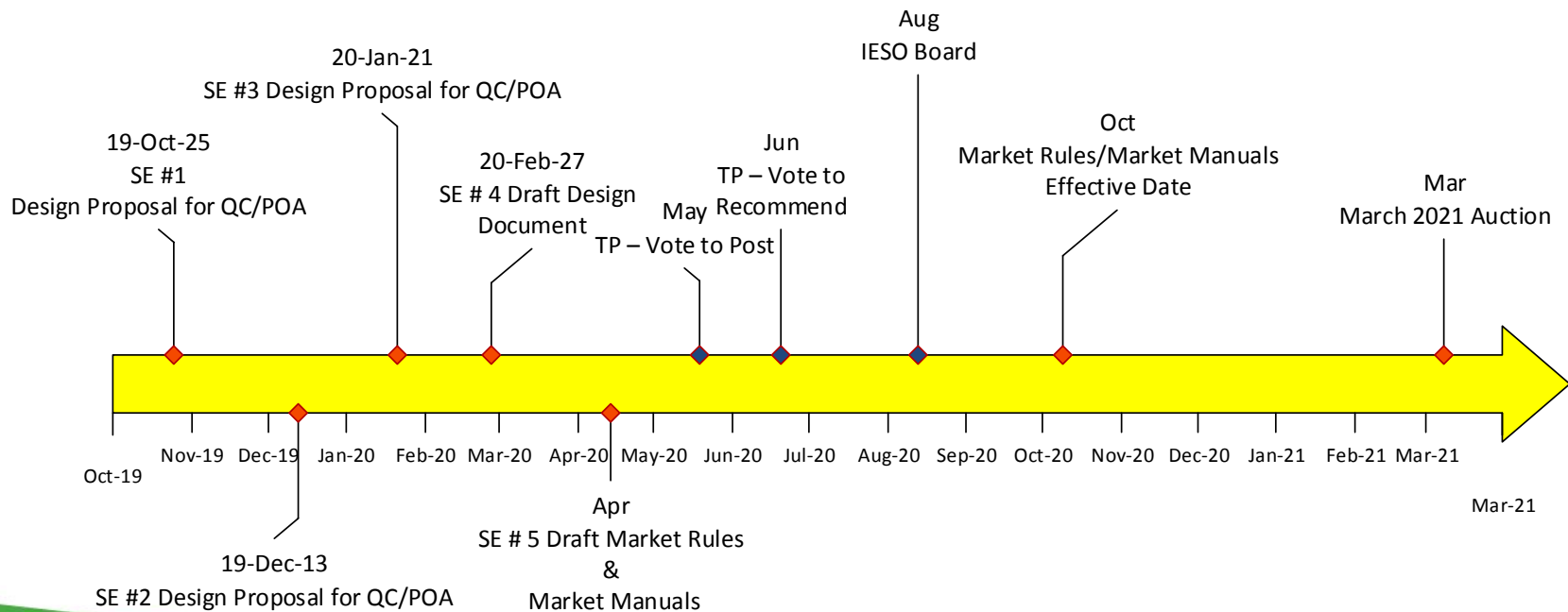
December 2020 Auction – Design Update

- The auction will include the following design features, currently under review by stakeholders:
 - Broadening participation with Resource-backed Capacity Imports and Self-Schedulers
 - Market Power Mitigation mechanisms
 - Qualification of Capacity, and enhanced obligation
 - Updated Reference Price and Maximum Auction Clearing Price
- A complete set of design features will be available in the upcoming design document that will be released on February 20 (one week before the next meeting)
- Auction date will be revised to March 2021
 - Enables additional time to carry out the pre-auction period for market power mitigation and qualification of capacity processes
 - Provides opportunity to incorporate changes from ongoing work through Energy Payments engagement and Demand Response Working Group

Timeline – March 2021 Capacity Auction

Formerly December 2020

Capacity Auction Stakeholder Engagement Schedule – March 2021 Auction



Next steps

- Engagement on the Capacity Auction March 2021 design and proposed market rules and manuals will continue with the next session on February 27
- A draft March 2021 design document will be available before the next meeting to prepare a full set of rules for the upcoming Technical Panel review
- To register for these or other engagement sessions, please contact engagement@ieso.ca