

# IESO Technical Panel Meeting

## Minutes of Meeting

Date held: June 23, 2020		Time held: 9:00 am	Location held: Online
Invited/Attended	Sector Representation	Attended; Regrets	
Robert Bieler	Consumer	Attended	
David Brown	Ontario Energy Board	Attended	
Ron Collins	Energy Related Businesses and Services	Attended	
Rob Coulbeck	Retailers or Wholesalers	Attended	
Dave Forsyth	Consumer	Attended	
Sarah Griffiths	Other Market Participant	Attended	
Robert Lake	Residential Consumer	Attended	
Phil Lasek	Industrial Consumer	Regrets	
Robert Reinmuller	Transmitter	Attended	
Sushil Samant	Generator	Attended	
Joe Saunders	Distributor	Attended	
Jessica Savage	IESO	Attended	
Vlad Urukov	Generator	Attended	
Michael Lyle	Chair	Attended	
<b>Observers / Presenters</b>			
Gabriel Adam	IESO	Attended	
Darren Byers	IESO	Attended	
Jo Chung	IESO	Attended	
Shawn Conkwright	IESO	Attended	
Adam Cumming	IESO	Attended	
Barbara Ellard	IESO	Attended	
Bryan Hartwell	IESO	Attended	
James Hunter	IESO	Attended	
Sam Jager	IESO		

Brennan Louw	IESO	
Jessica Tang	IESO	
<b>Secretariat</b>		
Jason Grbavac	IESO	Present
Prepared by: Mitchell Beer / Smarter Shift Inc.		

**Agenda Item 1: Introduction and Administration**

Jason Grbavac, IESO, welcomed participants and observers and conducted a roll call for the online meeting.

Chair’s Remarks:

The meeting agenda was adopted on a motion by Joe Saunders.

The minutes of the last meeting were adopted on a motion by Vlad Urukov.

The Chair reported that the Board and the Markets Committee met the previous week, and discussion included items 3 through 5 on the day’s Technical Panel agenda. He explained that the Markets Committee receives education on items that are not yet ready for the Board’s review.

The IESO is also pursuing the appointment of new Technical Panel members to fill vacancies for renewable energy and storage representatives. The Chair said strong candidates had come forward for both positions, and the Secretariat expected to bring recommendations to the August Board meeting.

The Chair advised members that the August 11 Technical Panel had been moved from morning to afternoon, and would take place from 1:00 to 4:00 PM.

**Agenda Item 2: Engagement Update**

Jason Grbavac, IESO, drew Panel members’ attention to the prospective meeting schedule in the background package for the meeting, noting that he had shifted the format as previously recommended by Mr. Urukov to indicate the process stage at which each agenda item would be addressed. He noted that the schedule form would now include a link to the IESO’s active engagement page.

Mr. Grbavac reviewed the decisions and education items on the day’s agenda, including the additional analysis on the Transmission Rights Clearing Account that members had requested at their May 26 meeting, focusing on the possible impact of the COVID-19 pandemic on electricity trading. The IESO provided the analysis June 11, and extended the deadline for stakeholder comments to June 18 to allow adequate time for review. He said the presentation on the TRCA would include an appendix summarizing stakeholder feedback and the IESO’s response.

Mr. Grbavac said the latest round of IESO Engagement Days was to take place June 24-26, followed by a session July 6 consisting of a forecasting update and presentations on the broader impact of the pandemic on the electricity market. The next round of Engagement Days will take place July 22-24, and the dates for the remainder of the year are posted on the IESO website.



There were no questions from Technical Panel members or observers.

<b>Agenda Item 3: Transmission Rights Clearing Account</b>	
Presenter	Barbara Ellard, Adam Cumming
Action	Vote on whether to recommend MR-00443, Transmission Rights Clearing Account (TRCA) Disbursements, for consideration by the IESO Board

Barbara Ellard, IESO, reiterated Mr. Grbavac's introduction to the agenda item, recalling that the Technical Panel had requested updated analysis to reflect the potential impacts of the pandemic on TRCA disbursements on exports. She said the major change in the proposed recommendation to the IESO Board was a revision to the effective date, from November 2020 to May 2021, which would have the effect of moving the amendment out by one disbursement cycle.

Ms. Ellard said the IESO had based the updated impact analysis on its previous methodology, now applied to the period from March through late May. While the IESO observed shifts in electricity demand due to the pandemic, she said exports increased by about 30%, and there was still a lot of congestion on the lines, especially the interties with Michigan and New York. The congestion price was a little lower, reflecting a shift in price spreads between Ontario and the other markets, but overall export volume during congested and uncongested hours have increased.

Ms. Ellard said exports during periods of low demand help the Ontario system by allowing baseload nuclear, hydro, and renewable resources to stay online and avoid curtailment. The benefit is captured in past studies that have tallied the additional cost of shutting down nuclear units, for example, due to a temporary surplus, when it will take several days to bring them back online to meet subsequent demand.

The updated analysis showed that a price reduction of \$1 per megawatt-hour would affect less than 1% of exports, reaffirming the earlier conclusion that the TRCA disbursement reduction impact would be marginal. On the whole, the IESO's assessment was that scheduled exports would not be impacted by the new methodology, but more important, that the change would support the IESO's commitment to market efficiency by producing an incentive for traders to submit export bids which are more aligned to market conditions.

Ms. Ellard reviewed the four comments on the new analysis from MAG Energy. She said the IESO was not shifting its position on internal congestion payments under the Market Renewal initiative, noting that internal loads receive internal residuals because they pay directly for the transmission system within the province. She acknowledged that the misalignment between balance period and the look-back period had existed prior to the TRCA disbursement methodology amendment proposal, and had to do with a limitation in the IESO's settlement tool. She said it would be difficult to rectify the problem, but noted that the proposed rule amendment would reduce the settlement impact versus the existing methodology.

Rob Coulbeck acknowledged the effort to extend the implementation date while balancing stakeholder viewpoints on timing, and thanked the IESO for its recognition of the importance of exports to the wider system. He asked whether it would be appropriate to set the implementation date at November 2021, given that the current rules would remain in place pending a vote of the IESO Board. Ms. Ellard agreed that Ontario is in a very fortunate position with its interties, and often forgets to talk about the importance of exports. She suggested that May 2021 was an appropriate compromise on implementation date, since the IESO was already beginning to see the impact of the TRCA discussion on some stakeholders' trading behaviour.

Mr. Coulbeck noted the recent OEB ruling on internal congestion limits and suggested there may be some future tie back to the internal transmission costs that go into export transmission. If the OEB moves in that direction, he said exporters should receive some of the benefit if they're responsible for some of the cost. Ms. Ellard said she would convey the concern to the Market Renewal Program.

Robert Bieler suggested it might take several years for market dynamics to take effect and the benefits to flow through. He asked whether the benefits on the load side would be monitored, and whether the amendment would ultimately just result in exporters taking higher margins.

Ms. Ellard recapped the current volumetric methodology for the TRCA, recalling the initial concern from the MRP and Brattle Group that the typical 87%/13% split in disbursements might encourage exporters to pursue inefficient trading practices. Under the new system, exporters are expected to receive about 2% of the total distribution, based on their proportional contribution to the internal transmission system. She said the rebalanced methodology, along with the added clarity in the approach, should provide an incentive for more efficient bids.

Mr. Bieler asked how readily that impact could be measured or isolated, to determine the real impact of the amendment on the Ontario market. Ms. Ellard said the IESO routinely monitors market outcomes and behaviours on the interties, and would keep an eye on any changes in dynamics.

Mr. Bieler recalled Brattle Group's recommendation that 100% of the disbursements go to Ontario consumers. Ms. Ellard said the consultants took the position that internal loads carry ultimate responsibility for the transmission system, and should receive any surplus funds in the account. The IESO adopted a position more in line with the Market Surveillance Panel after traders pointed out their own contribution to the transmission system.

Mr. Bieler asked whether it was necessary to forward the recommendation to the Board immediately, or whether the May 2021 implementation date allowed for further deliberation. Ms. Ellard suggested two major drivers for a timely decision: stakeholders' strong desire for market certainty, and the time the IESO will need to update its settlement tool ahead of implementation. Mr. Coulbeck reiterated his preference for a November 2021 implementation date, but said the top priority for his constituency was to know exactly what the new rules will be. The Chair said the vote would be on a May 2021 implementation date. Mr. Bieler said the purpose of his question had been to distinguish the TRCA discussion from issues that come before the Technical Panel on shorter timelines, but acknowledged market participants' need for clarity farther in advance.

Mr. Saunders acknowledged Ms. Ellard's explanation that the misalignment between settlement periods could not be addressed immediately, and asked whether the IESO intended to update

its settlement tool. Ms. Ellard said that decision would be based in part on whether the misalignment created a financial impact, and on a comparison of the cost and benefit of the update. She said the IESO considered the financial impact small, but the implementation period would provide further clarity on the impact of the misalignment and whether the correction was worth pursuing.

On a motion by Robert Lake, the Technical Panel voted unanimously to recommend MR-00443 for consideration by the IESO Board, with Phil Lasek voting by proxy.

<b>Agenda Item 4: Reliability-Related Information</b>	
Presenter	Darren Byers, Bryan Hartwell
Action	Vote on whether to recommend MR-00444, Reliability-Related Information, for consideration by the IESO Board

Darren Byers, IESO, reviewed the appendices that are to be removed from Chapter 4 of the Market Rules and the cross-references that had been updated to accommodate this change including the addition of a new defined term, *connection-related reliability information*. He said the proposed amendment would have no impact on Market Participants' obligations, and received no comments after the Technical Panel posted it for stakeholder comments.

On a motion by Vlad Urukov, the Technical Panel voted unanimously to recommend MR-00444 for consideration by the IESO Board, with Phil Lasek voting by proxy.

<b>Agenda Item 5: Performance Requirements</b>	
Presenter	Gabriel Adam, Sam Jager, Adam Cumming
Action	Vote on whether to post MR-00445, Performance Requirements, for broader stakeholder comment

Gabriel Adam, IESO, recapped the Technical Panel's past discussion of Performance Requirements, tracing the topic back to the 2019 Operability Study that identified emerging challenges with the behaviour of distributed energy resources (DER) on the grid, mainly related to inadvertent disconnection during system events. Noting that other jurisdictions had experienced inadvertent loss of inverter-based resources, he said the IESO wanted to ensure that DERs in Ontario perform in a predictable manner and have the ability to support the transmission system during events and post-event recovery. Mr. Adam outlined the changes in performance requirements and language that help address the above concern in the proposed Market Rule amendment, which the IESO was proposing to circulate for broader stakeholder comment.

Mr. Urukov recapped OPG's comments on the issue and discussed some of his organization's specific concerns with the amended language on voltage specifics for reactive power and the excitation system requirements. Mr. Adam said the IESO had received feedback from OPG and

TransCanada at the end of the last public webinar on Performance Requirements and acknowledged the effort OPG had put into its review and comments. He said the IESO had published its point-by-point replies, and had amended the wording of some of the requirements in light of OPG's concerns. To address Mr. Urukov's remaining concerns, Mr. Adam suggested the IESO and OPG schedule a separate discussion to ensure the IESO fully understands OPG's concerns and OPG understands the rationale behind the IESO's proposed wording.

Mr. Adam added that requirements for testing fell outside the current discussion, and would be included in Market Manual 1.6, former Market Manual 2.2. The current proposed amendments, he said, were to deal with performance during operations, when conditions could be different than specified conditions for testing purposes.

Sarah Griffiths asked Mr. Adam to confirm that the proposed amendments were consistent with current code requirements for the distribution system, and that the IESO was collaborating with the OEB and utilities to ensure there were no conflicts. Mr. Adam confirmed that the proposed requirements for the DERs do not contradict OEB's Distribution System Code, adding that the IESO's proposed requirements are inline with the IEEE-1547 standard, which is also referenced by the Distribution System Code. For the future, he said the OEB is looking at updating the code requirements and the IESO is involved at the working group level, where there is some momentum toward referencing the CSA standard 22.3 #9, rather than IEEE 1547. The CSA 22.3 #9 is also in line with IESO's proposed amendments, and the IESO has contributed to its development, as well.

Mr. Urukov suggested retaining the existing definition with respect to rated field current. Mr. Adam expressed his appreciation once again for the thought OPG had put into its analysis, and stressed the IESO's commitment to avoid any changes in requirements that could have a negative impact on traditional generation.

Robert Reinmuller expressed support for the effort to tighten the existing provisions on performance requirements. He asked whether the elimination of the 10-megawatt limit for DERs meant system impact assessments would now be conducted for smaller resources, given Appendix 4.3, Item 12, which suggests that the IESO will confirm that the failure of any particular resource will have no material effect on the IESO-controlled grid.

Mr. Adam said there would be no change in process for connection assessments, or in the 10-MW threshold for system impact assessments to be conducted by the IESO for embedded resources. DERs will still apply to their local distribution companies, which will, in turn, as market participants, have to apply to the IESO. He added that the provision in Item #12 in Appendix 4.3 referred to load, not generators or distributed resources, and is intended to prevent inadvertent disconnection of load during system events. Mr. Adam offered to move Item #12 higher in the Appendix 4.3, so that it does not follow the embedded generator requirements to prevent confusion.

Dave Forsyth asked why references to DERs throughout the proposed amendment and the memorandum had not been italicized. Mr. Adam and Adam Cumming, IESO, replied that DER is not a defined term in Chapter 11 of the Market Rules. Mr. Forsyth asked whether the IESO had any plans to arrive at a definition, given the frequency with which the term is used. Mr. Adam said the problem is that there is no single, agreed definition across the various national and international industry committees that make reference to DERs. Mr. Forsyth agreed that

other working groups and regulatory bodies are struggling with the term, but expressed concern that the definition in IESO documents was loose. Mr. Adam agreed, and also indicated that although the term DER is mentioned in the memorandum, however, to avoid any misinterpretation of the market rules, the term DER is not used in the proposed amendments to the rules themselves. Mr. Reinmuller noted the reference to the continuing work of the OEB task force, adding that one of the challenges with forward-looking changes is that existing resources are not affected until they make material changes to their systems or undertake upgrades. The result, he said, is that there will still be considerable DERs on the system at any given time. He asked whether the IESO would introduce new provisions for verification and enforcement and require transmission-connected customers to pay more attention to the performance requirements for distributed resources, and how the province would deal with implementation by thousands of small generators. He acknowledged that the issue was a discussion item for the industry as a whole, but asked for the IESO's view.

Mr. Adam acknowledged that the proposed amendment would not apply to the existing, more than 4,000 MW of DER currently on the system, but said the IESO had determined that it would be very difficult for LDCs to enforce a new set of rules retroactively. At the same time, the IESO determined that if the existing generators 1MW or higher change their inverter settings to meet the proposed voltage and frequency ride-through requirements, two thirds of the installed DER capacity would be captured. He said the OEB and the IESO were jointly looking for a mechanism to implement the changes retroactively, where feasible.

For new generators, Mr. Adam said the IESO wouldn't prescribe how local distributors impose and test the requirements. LDCs already have connection requirements in place for embedded generators, e.g. technical interconnection requirements (TIRs), along with established processes for enforcing compliance with those requirements. He said the IESO would provide support to LDCs on interpreting and codifying the new rules if they requested it, and they have been part of discussions with LDCs, including Hydro One, about their TIRs.

Mr. Saunders said LDCs routinely conduct impact assessments for new DERs, and often have to reject them for various reasons. He asked whether LDCs would have the same scope under the proposed amendment. Mr. Adam said LDCs would still be able to decide how and where to connect DERs to their distribution systems; the new rules would simply set expectations for the way those resources responded to system frequency and voltage deviations, to avoid compounding a problem on the larger system.

Mr. Saunders said he agreed with the intent of the proposed amendment. Mr. Reinmuller thanked Mr. Adam for the explanation and said he agreed with the connection requirements. He added that the current Market Rules already specify inverter settings for embedded generators, and require testing at the moment when those resources connect, but make no provision for ongoing verification. He acknowledged the cost of such an endeavour, but suggested ongoing enforcement and verification as a topic for further discussion.

The Chair agreed the topic was important and invited further questions or comments from Technical Panel members.

Mr. Bieler asked whether the IESO should post the proposed amendment for stakeholder comment while the upcoming discussion between the IESO and OPG was under way, or whether posting should be deferred until OPG's further input could be integrated in the draft.

The Chair suggested proceeding with the vote and allowing the two processes to continue in parallel, noting that OPG could participate in the public process as well. He said the August 11 Technical Panel meeting would provide an opportunity for members to decide whether there has been sufficient opportunity for stakeholder comment. Mr. Adam said he was quite confident the IESO would be able to incorporate OPG's further comments, and Mr. Urukov said he supported the approach.

On a motion by Joe Saunders, the Technical Panel voted unanimously to post MR-00445 for stakeholder comment, with Phil Lasek voting by proxy.

### **Agenda Item 6: Storage Design Project Update**

Brennan Louw, IESO, updated Technical Panel members on the Storage Design Project (SDP), including the project history and scope, stakeholder engagements to date, and the draft Market Rule amendments that members could expect to see in September. He recalled that the 2018 report of the Energy Storage Advisory Group (ESAG) had identified three key focus areas for the IESO: the need for clarity on the treatment of storage resources in the Market Rules and Market Manuals, a desire to provide multiple, non-overlapping services on the same basis as other resources participating in the wholesale market, and a review of the uplift charges applied to energy withdrawn by a storage facility.

In response, the Storage Design Project was launched last October, and it released a design document in February aimed at addressing the need for clarity in today's wholesale markets. The project is also working on a longer-term vision for the participation of storage resources once investments have been made to enable them, but Mr. Louw said the day's presentation and the upcoming round of proposed Market Rule amendments would focus on the near-term until this longer-term vision is enabled. During the first phase, he said the focus would be on stand-alone, directly-connected storage resources of at least one megawatt in size, and on limiting tool changes to minimize the cost and complexity of proposed amendments.

Mr. Lake asked whether hydrogen would be considered a form of energy storage. Mr. Louw said the focus of the current round of amendments was on standalone storage facilities designed to withdraw energy from the grid for the sole purpose of reinjecting this energy back to the grid, so facilities serving purposes beyond reinjecting energy into the grid would fall outside this scope.

Mr. Coulbeck asked whether there would be any possibility of including some of the charges imposed by the OEB on energy withdrawn by storage facilities, and whether the IESO and the OEB were working together on this issue. Mr. Louw said the question was well beyond the scope of the current project, but noted that the IESO participates in related OEB meetings and always shares the feedback it receives from stakeholders.

Mr. Coulbeck suggested it would therefore be beneficial for the IESO to identify major OEB-related charges and help the storage community move the issue forward. Jessica Savage, IESO, said uplift charges were among the barriers identified in the 2018 IESO report titled *Removing Obstacles for Storage Resources in Ontario*, along with other charges within the OEB's purview that the Board might want to consider reviewing. At the time, the IESO determined that it would address the issues within its own realm and invite the OEB to call upon ESAG as a forum for any changes they might be considering. Mr. Louw said the issue of uplifts within the IESO's

purview would be addressed in the longer-term design, but not in the round of proposed Market Rule amendments to be considered in September.

Mr. Louw said stakeholder feedback to date had been broadly very supportive of the IESO's interim design proposals, based on an understanding that the interim design had been dictated by tool limitations and the IESO's desire to implement a participation model for storage sooner rather than later. He invited members to attend a meeting of ESAG the following day, June 24 should they be interested in knowing more about these impending changes to the market rules and manuals. He added that another stakeholder engagement, Expanding Participation in Operating Reserve and Energy (EPOR-E) has been launched that explores potential market development options to enable participation of hybrid and behind-the-meter resources in the IESO's energy and OR markets

He provided an overview of the more than 100 sections of the Market Rules and 30 Market Manuals that would be revised for the SDP, indicating that the interim design features would be captured in a new, dedicated section, Chapter 7, Section 21.

There were no further questions on the presentation.

### **Agenda Item 7: MRP Education**

Shawn Cronkwright and Jessica Tang, IESO, provided an update on the accelerated detailed design activities under way for Market Renewal, and the education Technical Panel members would receive in preparation for their part of the process. Ms. Tang said the volume of information would be unprecedented, and assured members the IESO had been thoughtful about planning the content flow and ensuring that members are supported throughout.

The presentation provided details of how the 13 detailed design documents will be grouped into five market rule and market manual batches for stakeholder and Technical Panel review. To date, Ms. Tang said four documents were out for stakeholder review, six had already been reviewed, and three were scheduled for release later in the summer.

Sushil Samant noted that one of the five batches had to do with market power mitigation, and asked whether market participants understand that they have market power. Ms. Tang said the concept of market power mitigation was brand new for the organization and the detailed design chapter had been circulated for stakeholder feedback. She stated that this concept would be the focus of a presentation Friday during the June Engagement Days.

Mr. Urukov asked for clarification of the five batches. Ms. Tang said each grouping would be brought to the Technical Panel as a package, in three or four meetings – one or two rounds of education, depending on the complexity of the topic, a vote to post, and a vote to recommend – and the IESO would adjust the number of Panel meetings as required. Education sessions will begin with the September Panel meeting, and the IESO hopes to present draft language for the first batch of amendments by the end of the year.

Recognizing the dependencies among the batches, Ms. Tang said the IESO would introduce a process of provisional recommendations by Technical Panel, and provisional approvals by the Markets Committee and the Board, with the understanding that those votes might be shifted by review of future batches. At every stage, the IESO will record Panel members' reasons for their votes. The process will allow the Panel, the Markets Committee, and the Board to revisit earlier decisions if necessary before a final vote on whether to approve the entire package.

David Brown and Ms. Griffiths asked whether publishing requirements under Section 33 of the *Electricity Act* would apply when a final ruleset was brought to the Board. James Hunter, IESO, said nothing would be published until the entire ruleset had received Board approval at the end of the process. In practice, he said, the release would have to be staggered in accordance with operational requirements.

Mr. Saunders asked how long the IESO expected the process to run. Ms. Tang said a final schedule would be circulated to Technical Panel members when it was available, but that she expected work to continue through the end of 2021.

Mr. Forsyth asked whether the IESO had considered a scenario in which each Technical Panel member had a serious enough concern with at least one specific Market Rule amendment that there were no votes to support the entire package. Ms. Tang acknowledged the risk, but said the IESO intended to conduct enough stakeholdering and education up front to address any concerns. She noted that stakeholders had already been hearing about Market Renewal for more than three years, so the IESO should already have a good sense of any potential concerns.

Mr. Urukov asked whether the schedule could accommodate delays in stakeholder feedback. Ms. Tang said the IESO would ensure Panel members received accurate information, and the schedule could shift as necessary. Mr. Urukov advised, and Ms. Tang agreed, that stakeholders would need sufficient time to review the equations in the calculation engines.

The Chair acknowledged the work ahead, and said he'd been pleased to see the Panel's second virtual meeting engage in very constructive and effective discussions. He reminded members to provide written rationales for their votes on MR-00443 and MR-00444.

### **Other Business**

There was no other business.

The meeting adjourned at 11:37 AM.

<b>MR-00443 - Transmission Rights Clearing Account</b>	
<b>TP Member</b>	<b>Rationale to Support Vote</b>
<p>Rob Coulbeck</p> <p>Representing Retailers or Wholesalers</p>	<p>I would like to provide the following rationale for my vote at the Technical Panel meeting June 23, 2020 with regards to Rule Amendment MR-00443-R00 Transmission Rights Clearing Account (TRCA).</p> <p>The role of the Technical Panel is to review to market rule amendments to ensure that the rule language meets the final design intent of the proposed change not whether there is an agreement on the final design. With this principle in mind, as the Technical Panel member representing Importers/Exporters, I voted to recommend MR-00443-R00 to the IESO board as the amendment does adequately meet the final design intent. The recommendation does not indicate support for the proposed amendment by the trading community.</p> <p>The trading community has expressed concerns about the changes to the TRCA disbursement throughout the stakeholder engagement process. Comments and feedback have been published as part of the Market Development Working Group and may be found on the initiatives website (<a href="http://www.ieso.ca/Sector-Participants/Engagement-Initiatives/Engagements/Market-Development-Advisory-Group">http://www.ieso.ca/Sector-Participants/Engagement-Initiatives/Engagements/Market-Development-Advisory-Group</a>). In addition, you will find MAG Energy Solutions' feedback on the proposed rules with the Board package.</p> <p>I would like to highlight a couple of the concerns raised by the trading sector. The IESO has acknowledged Ontario's dynamic intertie connections and the trading activity, especially exports, during the COVID-19 pandemic provide both economic and reliability benefits. At the request of the Technical Panel, the IESO has provided updated analysis that suggests there would be limited impact on the volume of exports, but it also acknowledged the proposed amendment may impact the activities of some export trading participants. Recognizing the importance of exports during recent months, now may not be the time implement changes that may reduce intertie trading and potentially lower reliability and payments to internal loads.</p> <p>I have a concern related to market participant confidence in the stakeholder and market rule amendment processes and the impact on market activities. There have been suggestions recent Transmission Rights (TR) auction results indicate TRs have been discounted based on the anticipated rule implementation. The problem is the implementation date has changed multiple times during the stakeholder process. Each extension of the amendment implementation impacts TRs purchased for the period that will remain under the current rules. A TR auction participant that purchased TRs in recent annual auctions were essentially guessing which TRCA rules would be</p>

	<p>in place for the TR period. It would have been beneficial and more efficient to have the amendment implementation date match the expiration of TRs purchased prior to notice that the market rules would change.</p> <p>An appropriate implementation date for this amendment should be set once the rule is approved by both the IESO Board and OEB. Based on the current amendment timelines this would suggest a November 2021 implementation to account for expiration of TRs purchased prior to notice that the market rules would change. Participants should not have their market activities guided by potential rule changes when the amendment process can provide certainty. The market rule amendment process should not impose regulatory risk on market participants but should instill confidence the stakeholder and rule making process will provide market stability.</p> <p>A final concern for Importers/Exporters is the OEB process for determining the fee Export Transmission Service (ETS). While transmission rate setting is not the responsibility of the IESO it does impact trading activity, market efficiency. The Ontario transmission cost recovery has been a key topic in the TRCA discussion. The trading community sees an opportunity for the IESO, Hydro One, OEB and market participants to collaborate on the next ETS to ensure the rate does not adversely impact efficient trade on the interties.</p> <p>In summary, my vote, representing Importers and Exporters, to recommend MR-00443-R00 was in recognition the rule meets the final design intent, but it does not capture the position of the sector with respect to the rule design. I appreciate the opportunity to express the rationale behind the vote.</p>
<p>Dave Forsyth Representing Consumers</p>	<p>I voted to support the proposed Market Rule Amendment (MR-00443-R00) that would change the Transmission Rights Clearing Account disbursement methodology and the date the changes would be implemented. This proposal is aligned with the recommendation from the Market Surveillance Panel to change the methodology of the disbursement of surplus funds such that they are proportionate to Transmission Service charges paid over the relevant period. However, the IESO addressed concerns from Stakeholders about the prospect of immediate implementation and delayed it appropriately to ensure minimal harm to Market Participants who were potentially affected.</p>
<p>Robert Lake Representing Residential Consumers</p>	<p>I support the motion for two primary reasons; I think the rule will provide for a more equitable distribution of the TRCA and I understand that exporters/traders will need a reasonable amount of time, deferral to May 2021, to consider how this might affect their business.</p>
<p>Robert Reinmuller</p>	<p>This topic has brought out good discussions and arguments intended to balance the costs between those contributing to the service charges. As</p>

<p>Representing Transmitters</p>	<p>both loads and exporters are responsible for their respective proportions, I feel that the solution is reflective of the current situation and protects the Ontario Customers. Controlling the costs and expected disbursements will allow for more cost certainty for all participants. The initial direction of 100% allocation to load customers seemed a bit extreme and I am in support of the current recommendation based on the analysis presented by the IESO. As rate structures are being reviewed, I do believe that we need to continually look at opportunities for proper cost allocation to ensure that the infrastructure we continue to pay for and maintain, is properly funded by those that benefit from it and the right behaviors are incentivized.</p>
<p>Joe Saunders Representing Distributors</p>	<p>I voted "In Favour", to recommend to the IESO Board for consideration, to amend the market rules that provide the methodology for the disbursement of surplus funds from the transmission rights (TR) clearing account. The TR clearing account has been discussed at the November 27, 2019, February 4, 2020, May 26, 2020 and June 23, 2020 TP meetings and has gone through extensive stakeholder engagement. Through extensive discussions at the May 26, 2020 meeting, the TP requested from IESO staff updated analysis on the impact a change to the TRCA disbursement methodology may have during the COVID-19 pandemic. After review of the stakeholder feedback, the IESO staff proposed a revised date for the market rule amendment from November 2020 to May 2021. As a result of the impact analysis, staff presentations, TP discussions and stakeholder feedback, I voted in favour to recommend the amendment of the market rules to the IESO Board for consideration.</p>
<p>Jessica Savage Representing the IESO</p>	<p>I vote in favor of recommending the Transmission Rights Clearing Account Disbursements (MR-00443-R00) proposed rule amendments to the IESO Board for approval because these amendments will ensure a greater portion of disbursements from the Transmission Rights Clearing Account are given to consumers that bear the vast majority of system costs. The proposed amendments balance the feedback received from stakeholders including the Market Surveillance Panel, Association of Power Producers of Ontario and energy traders regarding both the disbursement methodology and the implementation date.</p>
<p>Vlad Urukov Representing Generators</p>	<p>I would like to thank the IESO for facilitating extended stakeholder engagement on the contemplated changes to the TRCA disbursement methodology, including providing analysis on the impacts of these changes on system conditions experienced under the impacts of COVID on demand in Ontario and neighbouring jurisdictions.</p> <p>Dynamic and responsive inerties provide economic benefits, efficient dispatch and help system reliability, equipping the IESO with a market-based tool for managing under certain system conditions, such as surplus baseload generation. I encourage the IESO to continue to</p>

	<p>engage the Trading community, and other impacted stakeholders, in the ongoing Transmission Right Markets Review and the Market Renewal Program initiatives to reach a common understanding of what an enduring, efficient and dynamic intertie activity looks like.</p> <p>Driven by forecasted price spread between Ontario and its neighboring jurisdictions, the TRCA accumulates revenues for disbursement based on a complex relationship between Congestion Rents, Auction Revenues and TR Payouts. The Trading community plays an integral part in facilitating intertie trade and as a key participant in TR Auctions is an important voice in discussions on changes to TRCA disbursement. Traders have raised a number of concerns and counterarguments in response to the proposed MR amendment and I acknowledge that the IESO has made changes based on feedback provided during the stakeholder engagement process.</p> <p>The implementation of the proposed Market Rule amendment must ensure that Market Participants who have made decisions based on the Rules as they exist in current form are not unduly harmed due to uncertainty or ex-post change(s). Acknowledging that the proposed implementation date has been changed from November 2020 to May 2021, recent feedback has suggested that November 2021 is also an appropriate effective date, allowing for IESO Board approval and formal implementation of the Market Rule amendments in advance of an August Long Term auctions spanning the October 1, 2020 to September 30, 2021 period.</p> <p>With the above in mind, I am voting in support of the proposed Market Rule amendment as it sufficiently supports IESO’s intent and follows a comprehensive Stakeholder Engagement process.</p>
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<b>MR-00444 - Reliability-Related Information</b>	
<b>TP Member</b>	<b>Rationale to Support Vote</b>
Robert Reinmuller  Representing Transmitters	Hydro One commented on the interpretation back at the March TP meeting and the concerns were related to the wider implications of rewriting all references to reliability-related information impacting operations and the connection process. Based on the response from Mr. Hartwell indicating that the change would only apply to the fully-italicized term and not the other occurrences with partial italics, and there will be no wide ranging impact to MM/MR’s; I support the changes proposed.

Joe Saunders  Representing Distributors	I voted "In Favour", to recommend to the IESO Board for consideration, to amend the market rules to remove appendices 4.5A to 4.9 in Chapter 4. Market Participants now submit information on line. Changes were also made to Chapter 5 to provide consistency between the market rules and Market Manual 11, part 11.3. The amendments to the market rules will not impact market participants obligations.
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