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**To:** IESO Engagement <[engagement@ieso.ca](mailto:engagement@ieso.ca)>

**Subject:** APPrO Comments on IIESO Market Power Market Rule Amendments (Reference Levels) and the IRP

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APPrO appreciates the IESO support for its request to reopen the stakeholder feedback period for two additional weeks following the February 15, 2022 Technical Panel meeting, and extend the comment period. The following comments are provided in that respect.

**Reference Levels: Market Manual 14.2**

- Section 3.4.1.2 – The IESO states it *MAY* initiate a reference level update if a reference level was determined or updated more than 2 years ago. Consequently, it is unclear if there will or will not be a formal review/need to resubmit workbooks every 2 years. Further clarity is requested on this point.
- Developing reference level workbooks is burdensome and time consuming and if there will be a formal requirement every 2 years to update the workbook this could become unwieldy.
- APPrO suggests that IESO review reference level setting & updating processes in an effort to be more efficient. Perhaps a “Lessons Learned” workshop post with the various technologies would help refine this process going forward.
- APPrO seeks to understand whether there is an obligation on a MP to inform the IESO of any changes to its costs (increase or decrease). The market manual is not clear that such an obligation exists.

**Independent Review Process**

- Reference Level Independent Review Process
- APPrO seeks to know if the IESO will issue the RFPs to a select few (from a pre-determined list) or more broadly? Will this prospective list be provided to market participants?
- In APPrO’s view, the independent reviewer must be knowledgeable/have expertise in the technology it will be reviewing. This suggests that a short list of 2 or 3 will be insufficient.
- Concerns arise if:
  - i. The RFP does is not successful (i.e., no one responds to the RFP)
  - ii. Respondents do not have the proper qualifications for the resource type they will be reviewing (i.e. have nuclear expertise but not hydro for a review of a hydro workbook)
- Will the MP be able to help frame the questions/determine the scope of the review?
- As neither the IESO nor MP will be able to defend/argue their positions it is possible that the process could be ineffective. Assuming a reviewer comes up with a reference level lower than that put forward

by the MP and it would have a significant impact – this would ultimately lead to DR – which can be lengthy.

- Concern with the comment at the TP that 2 independent reviewers could come up with 2 different reference levels/recommendations. Does this suggest that, ultimately, this process is flawed and IESO should go back to drawing board and make this IRP process an “expedited DR process”?
- The current framework will likely lead to Dispute Resolution (DR) regardless, so it would be a shame to waste time on the IRP. IRP should allow the MP (and IESO) to defend and argue their positions on costs
- Questions will likely arise respecting a consultant’s independence. How will the MP and the IESO identify conflicts? If the IESO has all consultants engaged, will there be a sufficiently independent consultant?
- IESO should provide a “*Day in the Life*” example. MPs would benefit if the IESO developed a couple examples: one with mitigation and one without mitigation but take it a few steps further than those provided at the TP
- IESO should start with a resource’s DA offers with that resource being in a BCA and receiving a schedule based on that. Then after the DAM during PD the BCA changes to an NCA
- Which offers (energy, SUC and SNL) and hours will now be affected the NCA versus the BCA thresholds?

This example should continue all the way through RT and resulting in presentation of a settlement statement/mitigation measures/penalties/guarantee payments.

Respectfully submitted.

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