

# Memorandum

**To:** IESO Board of Directors

**From:** Michael Lyle, Vice President, Legal Resources and Corporate Governance  
Chair, IESO Technical Panel

**Date:** September 28, 2023

**Re:** Corrections to Intertie Flow Limits Amendment (Market Rule Amendment MR-00478-R00)



Independent Electricity System Operator  
1600-120 Adelaide Street West  
Toronto, ON M5H 1T1  
t 416.967.7474  
www.ieso.ca

**Purpose of Item:** Approval

## **Executive Summary:**

There was an inadvertent error made in approving the 2022 Market Rule Amendment MR-00468-R00 – Adjustments to Intertie Flow Limits. In error, an earlier draft of the proposed Market Rule Amendment text, which did not include feedback that was received, was brought before and recommended by the Technical Panel, approved by the IESO Board, and included in the current Market Rules baseline. The IESO is now rectifying this error by proposing this amendment (MR-00478-R00) which contains the correct version of the Market Rule Amendment language. This version of the rule amendment language was previously reviewed by the Technical Panel, stakeholdered, and is the version that was intended to have been approved. On September 12, 2023, the Technical Panel unanimously recommended this proposal to rectify the error to the IESO Board for consideration.

## **Significant Issues, Risks and Opportunities:**

The current published version of the Market Rules does not accurately reflect the intended Market Rule Amendment language. This Market Rule Amendment (MR-00478-R00) before you will replace the existing language with the correct version of the language, which was previously reviewed by the Technical Panel, stakeholdered, and is the version that was intended to have been approved.

## **Background:**

Limits on intertie flows between the integrated power system and neighbouring transmission systems restrict the volume of energy that can be imported to or exported from Ontario. In setting these limits, the IESO provides a best estimate of the maximum flow on the single transmission line to each intertie zone. In late 2021, the IESO brought forward amendments to certain Market Rule provisions relating to intertie flow limits, namely MR-00468-R00. The proposed amendments were presented at a stakeholder engagement meeting in November 2021. That presentation included feedback from Technical Panel members received at a previous meeting which refined earlier draft language. Based on this feedback, the IESO revised the amendment and then brought it to the Technical Panel for a vote to post for further stakeholder review. This is the version of the Market Rule amendment language that was intended to be presented in 2022 to the Technical Panel for recommendation, and to the IESO Board for approval.

On February 15, 2022, the Technical Panel voted to post the intended MR-00468-R00 language for broader stakeholder review and comment. This version of MR-00468-R00 was the exact language in the current proposal, MR-00478-R00. No comments were received. On July 5, 2022, the Technical Panel voted to recommend Market Rule Amendment MR-00468-R00 for IESO Board approval and was subsequently approved by the IESO Board and took effect on September 19, 2022. Due to an inadvertent error, this version of MR-00468-R00 represented an earlier version of the language.

## **Proposal and Analysis**

This proposed Market Rule Amendment corrects the error made in the passing of MR-00468-R00 and amends the Market Rules to reflect the intended language, which was reviewed by the Technical Panel, stakeholdered, and intended to have been approved in 2022.

The IESO conducted analyses on the root cause of the error and has taken steps to avoid such errors happening again.

## **Next Steps / Implementation:**

I recommend that the IESO Board of Directors accept the vote and recommendation of the Technical Panel to approve Market Rule Amendment MR-00478-R00: Corrections to Intertie Flow Limits Amendment, with an effective date of October 23, 2023.

Michael Lyle

Cc: IESO Records

Encls.

- a. Market Rule Amendment Proposal form
- b. Technical Panel Materials
  - i. Memo to Technical Panel from IESO staff
  - ii. Technical Panel Member Rationale
- c. Stakeholder feedback summary, stakeholder engagement and Technical Panel
- d. Consumer Impact Assessment
- e. Resolution
- f. Draft Board Reasons