

# Minutes of the IESO Technical Panel Meeting

Meeting date: May 14, 2024  
Meeting time: 9:00 a.m. – 10:27 a.m.  
Meeting location: In-person and Video Conference

Chair/Sponsor: Michael Lyle  
Scribe: Trisha Hickson, IESO

Please report any suggested comments/edits by email to  
[engagement@ieso.ca](mailto:engagement@ieso.ca).

Invitees	Representing	Attendance Status Attended, Regrets
Jason Chee-Aloy	Renewable Generators	Attended
Rob Coulbeck	Importers/Exporters	Attended
Dave Forsyth	Market Participant Consumers	Attended
Jennifer Jayapalan	Energy Storage	Attended
Indra Maharjan	Consumers	Attended
Forrest Pengra	Residential Consumers	Attended
Robert Reinmuller	Transmitters	Attended
Joe Saunders	Distributors	Attended
Vlad Urukov	Market Participant Generators	Attended
Michael Pohlod	Demand Response	Attended
Lukas Deeg	Generators	Attended
Matthew China	Energy Related Businesses and Service	Attended
David Short	IESO	Attended
Michael Lyle	Chair	Attended

## Secretariat

Invitees	Representing	Attendance Status Attended, Regrets
Trisha Hickson	IESO	Attended

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### **IESO Presenters**

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Stephen Nusbaum  
Dennis Chellakudam  
Dale Fitzgerald  
Candice Trickey

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## **Agenda Item 1: Introduction and Administration**

Trisha Hickson, IESO, welcomed everyone joining the meeting.

The meeting agenda was approved on a motion by Robert Reinmuller.

The April 9, 2024, meeting minutes were approved on a motion by Lukas Deeg.

### **Introductory Remarks from the Chair:**

Michael Lyle, Chair mentioned the ongoing efforts to fill a vacancy for the Market Participant Consumers representative and encouraged Technical Panel members to share information regarding this vacancy with their networks.

David Short, IESO provided a brief update on his new role within the IESO as Senior Director, Enabling Resources Program. Mr. Short noted that his new assignment will build up momentum with regard to design and then shift to implementation while recognizing that MRP is still a priority effort for the IESO. Given what we have seen with the recent LT1 announcements on procurements, there is an initial priority to focus on how to effectively operate and integrate storage, as well as continuing to look at enabling DERs. Mr. Short indicated his official start date the week of May 16, and that he is looking forward to centralizing the new team and reaching out to stakeholders in the coming weeks.

## **Agenda Item 2: Engagement Update**

Trisha Hickson, IESO provided an update on the prospective schedule which can be found on the Technical Panel webpage. Ms. Hickson identified upcoming sessions as part of the IESO May Engagement Days and encouraged Technical Panel Members to attend.

## **Agenda Item 3: Chapter 3 Market Rule Amendments Update**

Glenn McDonald provided an update on the Chapter 3 Market Rule amendments. Mr. McDonald noted that the proposed amendments brought forward to stakeholders in Q4 2023, were presented as a package to ensure there was opportunity to put forth the amendments without impacting the review and approvals of MRP market rule amendments that needed to be completed in 2024. Through the stakeholder engagement process, it became clear that stakeholders were not comfortable with some

of the changes, particularly around penalty levels, confidentiality of information, and the manner of investigations. As such, both through public engagement and targeted sessions needed to continue. Mr. McDonald also noted that, in addition to this feedback, stakeholders would benefit from a more comprehensive set of changes and based on this, MACD will return in Q3 2024 to re-engage with stakeholders. Efforts are also underway to ensure the voices of all constituencies are heard, and not just the larger organization that the rules affect.

Observer, Reena Goyal, asked if the Market Manual change that took place in October 2023, is still in effect, pending this more comprehensive package of Market Rule amendments.

- Mr. McDonald confirmed that the Market Manual change made in October 2023 is not affected by the decision to pause on these Market Rule Amendments.

Vlad Urukov commented that he appreciates the update and the stakeholder engagement efforts to date. Mr. Urukov asked if adding time to the engagement process and beginning again in Q3 2024 will affect the Final Alignment batch amendments due for board approval by November.

- Mr. McDonald acknowledged that MACD will take its time in the stakeholder engagement approach and ensure engagement happens after MRP amendments are complete.

## Agenda Item 4: Capacity Auction - Market Rule Amendments

Dale Fitzgerald, IESO presented administrative updates required to the Market Rules for the Capacity Auction. These amendments include two required Market Rule changes around the Performance Adjustment Factor (PAF) and the Capacity Auction Availability Charge. The presentation can be found on the Technical Panel webpage.

Mr. Urukov asked for clarification regarding how the error occurred regarding the availability charge Market Rule amendment.

- Mr. Fitzgerald noted that the details around how the availability charges is applied was previously included in the Market Manuals. When the IESO tried to consolidate the details and language from the Market Manuals into the Market Rules, some required language was missed.

Michael Pohlod acknowledged the IESO's efforts in taking time with the aggregator community to review this edit.

Lukas Deeg asked for clarification around the PAF calculation error and if what was in the rules is inconsistent with what stakeholders would have seen as part of stakeholder engagement.

- Mr. Fitzgerald confirmed that the required change is in-line with what was presented to stakeholders previously and agreed upon.

Jennifer Jayapalan asked for confirmation that the intent of the Availability Charge remains in place through this summer obligation period versus how it is currently written until the Chapter 9 Market Rules come into effect.

- Mr. Fitzgerald confirmed that the Capacity Auction rules include a point in time provision. When changes are made, they need to be completed prior to the November auction to ensure confidence for participants that no other changes are made after they submit their bids. The IESO is respecting the point in time provision and will not make this change for the current “summer” obligation period or the winter obligation period. Market Participants should take these amendments as intended while they are being updated and follow the market rules provisions that indicate to Market Participants what their responsibilities are in terms of bidding their accurate capability each day. Mr. Fitzgerald added that a Market Participant’s current behaviour should not change.

Ms. Jayapalan clarified that she was also trying to understand what the Settlement implications are.

- Mr. Fitzgerald confirmed the Capacity Auction team is working with the IESO Settlements group as to what adjustments may be needed and how to treat this period before the Market Rule amendments are in effect. Mr. Fitzgerald acknowledged that the direction to participants for this settlement period will be communicated shortly.

## Agenda Item 5: Market Renewal Program: Market Participant Testing

Candice Trickey, IESO updated the Technical Panel on how the IESO is executing MRP system testing and the various phases, and how participants will be engaged in the process. Ms. Trickey noted there is still more detail to come on upcoming phases, Market Trials in July, and end-to-end testing which will begin in January. Ms. Trickey added that there is still an opportunity for participants to provide feedback and ask questions prior to launch of those two phases of testing. Ms. Trickey also noted that the IESO has been reviewing testing plans with the MRP Implementation Working Group and Market Participants, and Technical Panel members can reach out to their representatives for questions. The memo outlining MRP’s testing plans for market participants is posted on the Technical Panel webpage.

Mr. Urukov asked how the IESO will produce various simulated market conditions and what those conditions will look like in the testing environment. Mr. Urukov also added that Market Power Mitigation (MPM) is the least well-known to Market Participants and should be included in the end-to-end testing phase.

- Ms. Trickey noted that this is information the IESO is asking of the Implementation Working Group and stakeholders as to what they want to see in the testing and if there is something specific to please identify it for the IESO. Ms. Trickey also confirmed that MPM Framework and how the tools are used is part of the testing.

Mr. Deeg asked when users and Market Participants are testing and if there are findings that could impact the market rules, how is this expected to be implemented prior to 2025 to ensure changes are incorporated effectively.

- Ms. Trickey noted that internal IESO testing is underway to verify and ensure systems are working as designed and meeting market rule intent prior to introducing the tools for Market Participant testing. The core goal of the Market Participant testing is to provide the Market Participants with the opportunity to test their own interfaces to ensure their systems are working and are interfacing correctly with IESO systems. Ms. Trickey added that if material, time-sensitive issues are uncovered during this phase of testing the IESO will assess schedule impacts. Ms. Trickey noted that there is always the opportunity to bring forward an urgent market rule amendment if needed.

## Agenda Item 6: Market Renewal Program: Market and Systems Operations Batch and Calculation Engines

Josh Duru, IESO provided an introduction indicating that during the April Technical Panel meeting the panel voted to post for stakeholder comment the MSO Batch and Calculation Engines. As a result of this request for comments, the IESO received two responses from stakeholders (Vlad Urukov and Jennifer Jayapalan) which are posted on the website along with the IESO responses.

Stephen Nusbaum, IESO presented an overview of the stakeholder comments received and the IESO's responses, along with identifying the resulting revisions made to the Market Rules. The presentation is available on the technical panel webpage.

Ms. Jayapalan referenced her submitted written comment regarding concern about an electricity storage resource's inability to submit an energy bid and offer in the same hour the resource has offered operating reserve. While not a reliability concern, it is an existing operational limitation for the energy storage community.

- Mr. Nusbaum acknowledged that while the IESO is confident that the issue is addressed from a reliability perspective, the current approach is not optimal from a market efficiency approach at this time. It was noted that enhancing the ability of the system to best leverage the full capabilities of storage will be a top priority for the IESO post-MRP.

Robert Reinmuller asked if the concern is not reliability, then is it more about managing the various resources and managing in real-time the increasing number of resources?

- Mr. Nusbaum noted that as it relates to storage the challenge is needing to ensure that the IESO can schedule in a way that they can deliver on their energy or OR offers and we have limitations right now on how they offer until we have a more integrated approach for managing state of charge. The concern is not specifically around volume.

Mr. Pohlod asked with respect to the Chapter 11 Amendments to "demand response bid price threshold" what it will look like for an HDR bid to be below its threshold for the Day-Ahead-Market

(DAM)? Mr. Pohlod referenced AMPCO's comments around provisions requiring HDRs to offer above or at the threshold price in the DAM and those requirements being removed by the IESO. This could potentially enable an HDR to offer below the threshold in the DAM which could produce a result where the participant could be committed by the DAM as an HDR.

- Adam Tschirhart, IESO noted HDRs could be placed on stand-by Day-Ahead at lower LMPs as a result of bidding lower than the threshold, but activations in real time will still be based on their real-time bids that the minimum threshold will continue to apply to, and for HDRs to be activated their price would need to be above that threshold.
- Mr. Nusbaum added that AMPCO's concerns were around not wanting to be forced to participate in the DAM.

Mr. Urukov noted that in recognition of lengthy package of review materials that his comment submission only captured a portion of materials and wanted to ensure that all comments submitted outside of this process are included and carried forward to final alignment.

- Mr. Nusbaum confirmed that all comments will be considered but added that any changes to Market Rules resulting from comments received after the comment period closed would not appear in the June 7 publication of the draft Final Alignment materials but will be included in the vote to post version.

The vote to provisionally recommend the MSO Batch and Calculation Engines to the IESO Board was moved on a motion by Indra Maharjan.

## Other Business

Two items of other business were brought forward:

Mr. Urukov noted that regarding MR00456-R02, a section of Market Rules as part of the Settlements batch voted on in June 2023, the TP voted on a number of changes for MRP including the update to the Physical Bilateral Contract (PBCs) construct to include the Day-Ahead-Market (DAM). This functionality was carried through as part of the overall vote. However, a presentation from April 25, 2024, notified participants that PBCs were going to be "suspended". Mr. Urukov added that in terms of process why was this information not brought forward for Technical Panel awareness prior to this decision being made, as it could potentially be a significant change that has not been socialized publicly.

- Mr. Nusbaum acknowledged that the initial plan at the start of 2023 was to incorporate the existing PBC mechanism into the renewed market. This is what was voted on and approved by the Technical Panel in June 2023. As the IESO began the implementation, it became evident that the scope and complexity of work was more significant than originally expected and the IESO could not justify the cost and resources required in carrying this through. The IESO views this mechanism as a relatively minor service offered through the market, noting that only eight bilateral contracts exist with only a handful of

market participants. Mr. Nusbaum noted that as part of the stakeholder engagement efforts around this change, initial outreach had been conducted with participants who may be impacted by this decision to understand the potential impact before bringing to the broader stakeholder community during the April 25<sup>th</sup> webinar. Mr. Nusbaum further clarified that consistent with the MRP approach to-date, this change was initially communicated to the broader stakeholder community on April 25 and then was to be discussed with the Technical Panel in due course. Finally, in regard to the question of how the Technical Panel will have visibility to amendments made to previous batches more generally, Mr. Nusbaum noted that this is a priority for the IESO and there is an existing approach as communicated to the Technical Panel in February; in that red lines of the rules will be made available to show changes as well as Reader Guides being provided in advance of a meeting in June with the Technical Panel to clearly articulate what has changed as part of the Final Alignment process.

Mr. Urukov noted that it is not clear to all participants as to why the IESO decided not to move forward with PBCs.

- Mr. Nusbaum added that this feature allowed Market Participants to settle an out-of-market transaction using the IESO settlement system, it never evolved into being integrated into how the IESO dispatches the system and establishes prices. The mechanism is limited compared to how bilateral contracts are used in other North American jurisdictions. Mr. Nusbaum added that although it was the initial plan to carry forward as it is part of the existing market, the IESO decided that it is not a priority now. Mr. Nusbaum noted that it is not being taken completely off the table at this time, it is just being suspended; and the opportunity exists to re-introduce the feature in the future, after MRP Go Live, if the sector sees this as being a priority.

Mr. Urukov asked for clarity about what will happen if an active PBC carries through in the existing market.

- Mr. Nusbaum noted that it will not be settled via the IESO. If there is an existing bilateral, the two market parties would need to settle directly outside of the Market. Mr. Nusbaum noted the IESO Customer Response team is having ongoing conversations with the affected parties.

David Forsyth noted that while reviewing the presentation on the PBC item, there is not a lot of content related to the impact on market participants of removing the feature. Mr. Forsyth noted that an education session may be useful for the Technical Panel to discuss more about the impact on customers and not just the IESO.

- Mr. Nusbaum said the IESO will consider providing additional education on this item when it is tabled for discussion with the panel as part of the final alignment batch.



Mr. Deeg noted a desire for a better understanding of the changes and design elements that were initially anticipated. Mr. Deeg asked the IESO to elaborate on the decision to keep the legacy PBC option open for the future rather than removing it from the market completely.

- Mr. Nusbaum clarified that the decision was made due to the near-term priorities of advancing higher priority market rules and tool enhancements. Mr. Nusbaum noted that PBCs in other markets play a different role and hence have a much different value proposition than they do in Ontario, and this feature could be included in a longer-term evolution road map of the Ontario market, but it is not a priority as we approach MRP go-live.

Mr. Deeg asked in terms of other batches that have already been released, as well as other potential changes, whether there any other changes being considered for Final Alignment that have not been shared at this point.

- Jessica Savage, IESO noted the Technical Panel's desire to have line of sight into all changes that happened over the course of provisional approvals. The IESO will be highlighting any changes to previously approved batches as part of the Final Alignment batch beginning in June.
- Mr. Nusbaum added that the goal has been to ensure changes are shared with stakeholders prior to the education session for the Technical Panel in June around the Final Alignment.

Rob Coulbeck commented on the importance of the PBC functionally existing for resources coming off contract and appreciated the IESO's commitment to reassessing its value in future.

- Mr. Nusbaum noted the IESO will keep it on the radar and the IESO Markets team will assess how it evolves in the market over time.

Shifting topics, Indra Maharjan asked about the recent LT1 RFP announcement and feedback he has heard from proponents is that there is no provision to appeal the decision.

- Mr. Lyle noted that yes, it is not a regulatory process it is an RFP process and is governed by a set of procurement rules around how it is administered. The IESO has a fairness advisor to ensure the fairness of the process.

Mr. Maharjan asked if the IESO team will be able to debrief with the unsuccessful proponents.

- Mr. Lyle noted that this ability may exist. Ms. Hickson added that she will follow-up directly with Indra Maharjan to assist with questions and connect with the IESO procurement team.

## Adjournment

The meeting adjourned at 10:27 a.m. The next meeting will be held on June 11, 2024.



### Action Item Summary

Date	Action	Status	Comments
March 23, 2021	In relation to MR-0448-R00 market rule amendments, the IESO will periodically review the availability of Error and Omissions insurance for negligence.	Open	

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