



PROCEDURE

Market Manual 5: Settlements
Part 5.8: Settlement Invoicing

Issue 17.0

This procedure provides information required by the *IESO* and *market participants* to prepare and process settlement *invoices* for the *physical markets* administered by the *IESO*.

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This *market manual* may contain a summary of a particular *market rule*. Where provided, the summary has been used because of the length of the *market rule* itself. The reader should be aware, however, that where a *market rule* is applicable, the obligation that needs to be met is as stated in the “Market Rules”. To the extent of any discrepancy or inconsistency between the provisions of a particular *market rule* and the summary, the provision of the *market rule* shall govern.

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Related Documents

Document ID	Document Title
IMO_GDE_0003	Energy Market Graphical User Interface User's Guide
IMO_MAN_0024	Market Manual 6: Participant Technical Reference Manual

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Table of Changes

Reference (Paragraph and Section)	Description of Change
Throughout	Combined manuals for physical and financial market invoicing into one document

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Market Manuals

The *market manuals* consolidate the market procedures and associated forms, standards, and policies that define certain elements relating to the operation of the *IESO-administered markets*. Market procedures provide more detailed descriptions of the requirements for various activities than is specified in the *market rules*. Where there is a discrepancy between the requirements in a document within a *market manual* and the “Market Rules”, the “Market Rules” shall prevail. Standards and policies appended to, or referenced in, these procedures provide a supporting framework.

Market Procedures

The “Settlements Manual” is Volume 5 of the *Market Manuals*, where this document forms “Part 5.6: Physical Markets Settlement Invoicing”

A list of the other component parts of the “Settlements Manual” is provided in “Part 5.0: Settlements Overview”, in Section 2, “About This Manual”.

Structure of Market Procedures

Each market procedure is composed of the following sections:

1. **“Introduction”**, which contains general information about the procedure, including an overview, a description of the purpose and scope of the procedure, and information about roles and responsibilities of the parties involved in the procedure.
2. **“Procedural Work Flow”**, which contains a graphical representation of the steps and flow of information within the procedure.
3. **“Procedural Steps”**, which contains a table that describes each step and provides other details related to each step.
4. **“Appendices”**, which may include such items as forms, standards, policies, and agreements.

Conventions

The *market manual* standard conventions are as defined in the “Market Manual Overview” document.

– End of Section –

1. Introduction

1.1 Purpose

This procedure describes the activities and schedule required by the *IESO* and *market participants* to prepare and process *settlement invoices* for the *physical markets* and *financial markets* administered by the *IESO*.

For the purposes of this procedure, all references to the *physical markets* refer to:

- the real-time *energy* markets, which consists of:
 - a market for *energy*; and
 - a market for several classes of *operating reserve*;
- *procurement markets*, which consists of:
 - markets for *contracted ancillary services*, including *regulation*, voltage control & *reactive support service*, and *black start capability*; and
 - a market for *reliability must-run contracts*;
- the *transmission rights (TR) market*, with the exception of *settlement amounts* paid in respect of the purchase or sale of a *transmission right* in any round of a *transmission rights auction*.

For the purposes of this procedure, all references to the *financial markets* refer to:

- *settlement amounts* relating to the purchase or sale of a *transmission right* in any round of a *TR auction*

The *physical markets settlement invoice* will indicate all *market participant* payments due to the *IESO* and all *IESO* payments due to *market participants* for all *settlement charge types* that appear on *physical markets settlement statements*. The *financial markets settlement invoice* will indicate all *market participant* payments due to the *IESO* and all *IESO* payments due to *market participants* for all *settlement charge types* that appear on *financial markets settlement statements*.

“Market Manual 5: Settlements, Part 5.5: Physical Markets Settlement Statements” provides detailed information on these *charge types*.

This document covers the following topics:

- receiving *settlement invoices*;
- interpreting the *settlement invoice* line items; and
- submitting queries for more information regarding the *invoice*.

1.2 Scope

This procedure is intended to provide *market participants* with a summary of the steps and interfaces between *market participants*, the *IESO*, and other parties for receiving and reviewing a *settlement invoice* generated by the *IESO*. The procedural work flows and steps described in this document serve as a roadmap for *market participants* and the *IESO*, and reflect the requirements set out within the *market rules* and applicable *IESO* policies and standards.

The *payment dates* on which the *IESO* and *market participants* must submit payments with respect to all *settlement invoices* issued by the *IESO* are specified in the *IESO Settlement Schedule and Payment Calendar (SSPC)*.

The process by which payments with respect to all *settlement invoices* issued by the *IESO* are processed is set out in “Market Manual 5: Settlements, Part 5.9: Settlement Payment Methods and Schedule”.

1.3 Overview of Settlement Invoicing

Annually, the *IESO* publishes an *IESO Settlement Schedule and Payments Calendar (SSPC)* that specifies the dates for issuance of *settlement invoices*. The *IESO* must, on the date specified in the *SSPC*, issue an *invoice* to each *market participant* who has undertaken a transaction in the *physical markets* or *financial market* during the *billing period*. The *billing period* is a calendar month for the *physical markets settlement invoice*. The *billing period* is a *trading week* for the *financial markets settlement invoice*¹.

All transactions are *invoiced* according to the available *settlement data*, as previously issued on *preliminary settlement statements*, *final settlement statements*, and/or *recalculated settlement statements*, during the applicable *billing period*.

In the context of the *physical market*, where a *final settlement statement* is not yet available for days within the *billing period*, *preliminary settlement statements* are used to prepare the *invoice*. Any net difference between these *preliminary settlement statements* and the subsequent *final settlement statements* is reflected in the *invoice* for the next *billing period*.

The *IESO* will issue debit *settlement invoices*, where a net payment is due to the *IESO* from a *market participant*, and credit *settlement invoices*, where a net payment is due to a *market participant* from the *IESO*. Debit *settlement invoices* will indicate that the *market participant* is required to submit a payment to the *IESO*. Credit *settlement invoices* will indicate that the *invoice* is for information only and that the *market participant* is not required to submit a payment. The *settlement invoice* in Appendix B is an example of a credit *settlement invoice*.

The *IESO* may also produce manual *invoices* for various costs which are not addressed by the *settlement charge types* that form part of the applicable *settlement statements*. These may include (but are not restricted to) costs relating to:

- interest charged on late payments;

¹ A *trading week* is seven consecutive *trading days* starting on, and including, the Sunday.

- default charges;
- costs relating to arbitration; and
- compliance penalties.

The *IESO* will issue manual *invoices* on an ‘as-needed’ basis.

1.3.1 Receiving/Retrieving Invoices

Market participants retrieve their own *settlement statements* and *invoices* through:

- Web delivery via the *IESO* Report Site. *Invoices* are available in XML format.

Invoices are considered issued to *market participants* when released by the *IESO* through the *IESO* Reports Site, in accordance with the dates in the *SSPC*. It is the responsibility of each *market participant* to notify the *IESO* if it fails to receive an *invoice* on the date specified in the *SSPC*. The *market participant* should notify the *IESO* immediately if a *settlement invoice* is not received at the expected time and date. Each *market participant* shall be deemed to have received its *invoice* on the relevant date specified in the *SSPC*, unless the *market participant* notifies the *IESO* to the contrary.

In the event that a *market participant* notifies the *IESO* that it has failed to receive a *settlement invoice* on the specified date, the *IESO* will re-issue the appropriate *invoice*. The *settlement invoice* will be considered to be received on the date that the re-issued *invoice* is submitted to the *market participant*.

1.3.2 Reading the Settlement Invoice

As a minimum, the *settlement invoice* will contain the following information:

- a unique *invoice* number;
- the dollar amounts which are to be paid by, or to the *market participant*, identified by *charge type* and a description of the charge;
- the *market participant payment date* by which such amounts (if any) are to be paid by the *market participant*, no later than the *close of banking business* of the bank at which the *IESO settlement* clearing account is held; and
- details of the *IESO settlement* clearing account - including the bank name and the account number and *electronic funds transfer* instructions - to which any amounts owed by the *market participant* are to be paid.

A sample *settlement invoice* can be located in the Funds Administration area of the Technical Interfaces page on the *IESO* public Web site ([IESO home page](#)). Charges transferred from the *settlement statements* that appear on *market participant invoices* are detailed in Section 2.2 of “*IESO Charge Types and Equations*”.

Manual *invoices* will have the same format as a *settlement invoice* but will have manual line entries in place of the standard *charge types* that appear in the *settlement invoice*, except where the *invoice*

relates to financial penalties². *Market participants* will be notified that a *manual invoice* is available for retrieval when released by the *IESO* via the *IESO* Report Site. See “Market Manual 5: Settlements, Part 5.9: Settlement Payment Methods and Schedule” for more information on the payment process.

The *market participant* reviews the *settlement invoice* to identify payment errors, and to determine if there are any questions regarding the *invoice*. If the *market participant* has any questions, the *market participant* may submit a query to the *IESO* by telephone call or e-mail to the *IESO*’s Customer Relations requesting additional information pertaining to the *settlement invoice*. The *IESO* will provide a *response* to the query submitted by the *market participant* as soon as possible having regard to the nature of the inquiry.

1.4 Invoice Delays and Estimated Invoices

Where the *IESO* determines that significant inaccuracies exist in a *preliminary settlement statement* for a *trading day*, it may delay the issuing of that statement from the dates specified in the *SSPC*. In such a situation, the *IESO* will *publish* a notice of delay. See “Market Manual 5: Settlements, Part 5.7: Settlement Process” for more information on this process.

The *IESO* may determine that a delay in issuing the *settlement statement* (or another, unrelated, reason) will prevent the *IESO* from issuing the *invoice* for a *billing period* on, or within one *business day* of, the date specified in the *SSPC*³. In such situations, the *IESO* will issue an estimated *invoice* to *market participants* within two *business days* of the date specified in the *SSPC*. The process for estimating an *invoice* is set out in section 6.3.29 of Chapter 9 of the *market rules*.

Where the *IESO* delays issuing an *invoice*, as described above, it will *publish* a notice that indicates whether the *IESO* intends to delay the *market participant payment date* and the *IESO payment date* associated with the delayed *invoice* by one *business day* from that specified in the *SSPC*. The notice of revised *payment dates* will be *published* on the *IESO*’s public Web site.

Where an estimated *invoice* is issued to a *market participant*, the *IESO* will adjust the *invoice* for the *market participant* covering the next *billing period* to reflect any net difference between the estimated *invoice* and the *invoice* that would have been issued if the estimating process had not been required.

1.5 Roles and Responsibilities

Responsibility for *settlement invoices* is shared among:

² In the case of a dispute relating to a financial penalty, payment may be deferred until the dispute is resolved in accordance with the dispute resolution process set out in “Market Manual 2, Market Administration, Part 2.1, Dispute Resolution”.

³ Part of the information provided in the notice of delay for a settlement statement is whether the *IESO* intends to invoke the estimated invoice process. Other reasons for delaying an invoice would include market system problems.

- **Market participants**, which are responsible for:
 - receiving *settlement invoices*; and
 - reviewing the *invoices* for correctness.
- The **IESO**, which is responsible for:
 - preparing *invoices* to be issued to *market participants*;
 - issuing *settlement invoices* to *market participants*; and
 - responding to queries from the *market participant* regarding *settlement invoices*.

1.6 Contact Information

As part of the participant authorization and registration process, *applicants* are able to identify a range of contacts within their organization that address specific areas of market operations. For *settlement invoices*, this contact will most likely be the Invoicing Contact Type as indicated in Online IESO (MP Contacts screens). If a *market participant* has not identified a specific contact, the *IESO* will seek to contact the Main Contact that is established during the participant authorization process. The *IESO* will seek to contact these individuals for activities within this procedure, unless alternative arrangements have been established between the *IESO* and the *market participant*. For more information on Online IESO and the participant authorization process see “Market Entry, Maintenance and Exit, Part 1.1 – Participant Authorization Maintenance and Exit”.

If the *market participant* wishes to contact the *IESO*, the *market participant* can contact the *IESO* Customer Relations via email at IESOCustomerRelations@ieso.ca or via telephone, mail or courier to the numbers and addresses given on the *IESO*'s Web site ([IESO home page](#) - or click on 'Have a question?' to go to the 'Contacting the *IESO*' page). If the *IESO* Customer Relations is closed, telephone messages or emails may be left in relevant voice or electronic *IESO* mail boxes, which will be answered as soon as possible by Customer Relations staff.

Market participants should note that payments are due on the *market participant payment date* regardless of any outstanding queries or disputes regarding the *invoices*, except where the *invoice* relates to financial penalties⁴. See “Market Manual 5: Settlements, Part 5.9: Settlement Payment Methods and Schedule” for more information on the payment process.

– End of Section –

⁴ In the case of a dispute relating to a financial penalty, the obligation to settle the penalty payment may be deferred until the dispute is resolved in accordance with the dispute resolution process set out in “Market Manual 2, Market Administration, Part 2.1, Dispute Resolution”.

Appendix A: Forms

There are no forms used in this procedure.

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Appendix B: Sample Invoice

A sample *physical markets settlement invoice* can be located in the Funds Administration area of Technical Interfaces page on *IESO* public Web site [IESO home page](#).

– End of Section –

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References

Document ID	Document Title
MDP_RUL_0002	Market Rules
MDP_PRO_0014	Market Manual 1: Market Entry, Maintenance & Exit Part 1.1: Participant Authorization, Maintenance & Exit
MDP_PRO_0017	Market Manual 2: Market Administration, Part 2.1: Dispute Resolution
MDP_MAN_0005	Market Manual 5: Settlements, Part 5.0: Settlements Overview
MDP_PRO_0031	Market Manual 5: Settlements Part 5.1: Settlement Schedule and Payments Calendars (SSPCs)
MDP_PRO_0033	Market Manual 5: Settlements, Part 5.5: Physical Market Programs
MDP_PRO_0046	Market Manual 5: Settlements, Part 5.7: Settlement Process
MDP_PRO_0036	Market Manual 5: Settlements, Part 5.9: Settlement Payment Methods and Schedule
IMP_LST_0001	IESO Charge Type and Equations

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