

September 29, 2023

Ms. Jessica Savage
Program Delivery Executive of Market Renewal Program
Independent Electricity System Operator
120 Adelaide St W #1600
Toronto, ON M5H 1T1

RE: Submission on Charge Types and Equations

The Electricity Distributors Association (EDA) has been working collaboratively with the Independent Electricity System Operator (IESO) on the implementation of the Market Renewal Program (MRP) for several years since the establishment of the High-Level Design. We recognize that the IESO has made significant progress on MRP implementation, with the notable milestone of publishing the Charge Types and Equations that are essential for market settlement.

In previous engagements we noted that the IESO did not include Charge Types and Equations in the batch of market rule amendments related to Settlement. The EDA has identified the importance of publishing this information, as it is crucial for both LDCs and the Ontario Energy Board (OEB) to comprehend the necessary modifications to wholesale market accounting, settlement processes, invoicing, and customer billing.

On August 4, 2023, the IESO released proposed revisions to the IESO Charge Types and Equations, which will be put into effect after the implementation of MRP (Issue 82.1, updated for stakeholder engagement). This document embodies changes in line with the Batch 4 market rule amendment package, reflecting post-MRP settlement procedures, revenue meter registration, market billing, and fund administration. The updated manual also introduces a new section encompassing all inactive IESO charge types and equations.

Important additions to this manual, relevant for LDCs, include:

- 1115 - Non-Dispatchable Load Energy Settlement Amount (MRP updated and name change)
- 1116 – Internal Congestion and Loss Residual (MRP new)
- 1117 - Day-Ahead Market Net External Congestion Residual (MRP new)
- 1118 - Real-Time External Congestion Residual Uplift (MRP new)
- 1119 - Day-Ahead Market Net Interchange Scheduling Limit Residual Uplift (MRP new)
- 1120 - Real-Time Net Interchange Scheduling Limit Residual Uplift (MRP new)
- 250 / 252 / 254 – Hourly Uplift for Operating Reserve components (MRP updated)
- 1967 – Real-Time Ramp-Down Settlement Amount Uplift (MRP new)
- 1950 – Real-Time Make-Whole Payment Uplift (MRP new)
- 1850 – DAM Uplift (MRP new)
- 1851 – DAM Reliability Schedule Uplift (MRP new)
- 1865 – DAM Balancing Credit Uplift (MRP new)

- 1960 – RT Generator Offer Guarantee (GOG) Uplift (MRP new)
- 1970 – Generator Failure Charge – Market Price Component Uplift (MRP new)
- 1971 – Generator Failure Charge – Guarantee Cost Component uplift (MRP new)
- 1188 – Fuel Cost Compensation Credit uplift (MRP updated)
- 1980 – DAM Reference Level Settlement Charge Uplift (MRP new)
- 1981 - RT Reference Level Settlement Charge Uplift (MRP new)
- 1982 – Mitigation Amount for Physical Withholding Uplift (MRP new)
- 1986 – Mitigation Amount for Economic Withholding Uplift (MRP new)
- 186 – RT Intertie Failure Charge (MRP updated)
- 1977 – RT Intertie Offer Guarantee Uplift (MRP new)

Inactive charge types, relevant for LDCs, post MRP include:

- 101 - Net Energy Market Settlement for Non-dispatchable Load (retired with implementation of RSS)
- 150 – Net Energy Market Settlement Uplift, including 5 charge types (100,101, 103, 104, 1131) (MRP retired)
- 155 – CMSC Credits (MRP retired)
- 183 – RT generator Cost Guarantee (MRP retired, replaced with 1960)

As evident from the list above, the IESO's MRP brings forth a range of new uplift charges that will be applicable to load customers, including LDCs that are market participants. Ongoing discussions and collaboration with the OEB are taking place in this working group to address anticipated adjustments in OEB code and accounting practices stemming from these modifications.

Additionally, we remain actively involved in discussions with the OEB concerning the expected alterations in the billing and settlement procedures for non-RPP (Regulated Price Plan) customers, as the HOEP will be phased out following the implementation of MRP.

With the release of this information, we still have outstanding questions that need to be addressed by the OEB that are consequential for MRP implementation amongst LDCs, notably:

- Specifics with respect to wholesale market settlement (e.g., file formats, etc.)
- Changes to wholesale market accounting practices (under the purview of the OEB)
- Changes to OEB codes (e.g., Retail Settlement Code)
- Changes to customer invoicing (i.e., non-RPP customers, etc.)
- Changes to IESO contracts with distribution connected generators, and back-end settlement with the IESO.

We recognize that there has been significant progress and is very encouraging of the support charge type and training documents developed within this group. However, there is an urgent need to take the necessary steps to ensure LDCs have a complete package of instructions to prepare their systems and enable implementation MRP in time for the IESO's expected go-live date. We strongly encourage the group to take this opportunity to promote preparing LDCs for billing customers and the back-end changes required to do so and seek your support and assistance in ensuring that LDCs receive the information they need in a timely manner to support a smooth implementation of MRP.

Thank you for your consideration of our request and please feel free to contact me should you have any follow up questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brittany J Ashby', with a long horizontal flourish underneath.

Brittany J Ashby

Senior Regulatory Affairs Advisor

Electricity Distributors Association

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