

Stakeholder Feedback and IESO Response

Market Renewal Program: IESO Charge Types and Equations – September 21, 2023

During the September 21, 2023 engagement webinar, the IESO presented the updates to the IESO Charge Types and Equations that will be used in the IESO settlement process for IESO-administrated markets and received written feedback from:

Electricity Distributors Association

Evolugen by Brookfield Renewable

Ontario Power Generation

Related presentation materials and recorded sessions have been posted on the IESO [stakeholder engagement webpage](#). If interested, please visit the webpage to reference the feedback submissions directly as the below uses excerpts and/or a summary of the stakeholder feedback for the purposes of providing an IESO response.

Please contact IESO Engagement at engagement@ieso.ca if you have any questions.

Electricity Distributors Association

Table 1 | Electricity Distributors Association Feedback and IESO Responses

Feedback	IESO Response
<p>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:</p> <ul style="list-style-type: none">• 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	<p>The Ontario Energy Board (OEB) has committed to providing accounting guidance for local distribution companies (LDCs) in early 2024, including how the Retail Settlements Code and Standard Supply Service Code will change as a result of MRP. The OEB will present their analysis in the LDC-IESO MRP Preparedness Group, which is comprised by representatives from the IESO, the OEB and the Electricity Distributors Association (EDA).</p>

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.

Evolugen by Brookfield Renewable

Table 2 | Evolgen by Brookfield Renewable and IESO Responses

Feedback	IESO Response
<p>Evolugen by Brookfield Renewable appreciates the opportunity to provide feedback. Due to the high volume of comments and questions, and the need for supporting documents to help clarify our comments, please refer to three documents included in our email for our feedback: - Summary of Evolgen-Brookfield feedback.docx - MRP_Ch 9 Settlement and Billing - Feedback to IESO.xlsx - Charge Type and Equations vs Market Rule Ch 9 - Feedback to IESO.docx</p>	<p>Thank you for your feedback, please download the documents titled “Stakeholder (Evolugen by Brookfield Renewable) Feedback and IESO Response” to view the full set of responses.</p>

Ontario Power Generation

Table 3 | Ontario Power Generation Feedback and IESO Responses

Feedback	IESO Response
<p><u>CT144/CT145; CT147/CT148; CT149</u></p> <p>The “Equation” section for the five charge types have not been updated to reflect Market Renewal changes. Specifically, the charge types in this revision of the IESO Charge Types and Equations still reflect the usage of Hourly Ontario Energy Price (HOEP), which will be retired and replaced by Locational Marginal Pricing (LMP) upon Market Renewal Go-Live.</p> <p>It is important that the IESO provides the required revisions to these charge types due to the significant financial impact on all market participants. This update should be made as soon as practicable (e.g. in the promised January 2024 revision of the IESO Charge Types and Equations document) to ensure market participant success in implementing changes to the settlement system for Market Renewal.</p>	<p>As communicated in the Reader’s Guide accompanying IESO Charge Types and Equations, any updates required to charge types associated with applicable law will be incorporated into IESO Charge Types and Equations upon completion of review and update of the respective OEB regulations.</p> <p>The equations for CT144, CT145 and CT149 will be updated at that time to reflect the correct pricing.</p> <p>With respect to CT147 and CT148, there are no updates required to the global adjustment settlement due to MRP.</p>

CT135 and CT136

The parameters RT_ISD and RT_ESD are used in the equations for CT135 and CT136, respectively. However, while the formula for the two parameters have been defined in the Market Renewal IESO Charge Types and Equations document, the full names of RT_ISD and RT_ESD are not listed in Market Renewal Market Rules Chapter 9 nor in the Market Renewal IESO Charge Types and Equations document.

Please provide the full name definition for RT_ISD and RT_ESD in the appropriate document(s). For reference, RT_ISD and RT_ESD are fully defined in the baseline version of Market Rules Chapter 9, in Section 3.8C.3.

Thank you for your feedback.

The definitions of RT_ISD and RT_ESD will be added to Appendix 9.2 in January 2024.

CT250/CT252/CT254

The operating reserve uplift charge types are still associated with retired charge types CT200, CT202 and CT204 within the document. Additionally, these three operating reserve uplift charge types are also associated with CT206 CT208 and CT210, which are all undefined in this document. Please review and provide clarification to the equations for CT250, CT252 and CT254.

Section 2 – Active IESO Charge Types and Equations, CT250, CT252 and CT254 includes the updated version of these uplifts to reflect the new MRP charge types

The revised equations for CT 206, CT 208 and CT 210 will be defined in the revised version of IESO charge type and equation document that will be issued in January 2024.

Section 3 – Inactive IESO Charge Types and Equations reflects the retired versions of CT250, CT252 and CT254 which include the reference to CT200, CT202 and CT204 which have all been retired under MRP.

CT251/CT253/CT255

This IESO Charge Types and Equations document does not provide equation definition for the three charge types listed. Market Rules Chapter 9

The MRP version of IESO Charge Types and Equations aligns to the current baseline version which does not include an equation for CT251/CT253/CT255.

Section 3.9.2 defines the operating reserve shortfall settlement debit charges as hourly charge. The IESO Charge Types and Equations document defines these charge types at the "Interval" Settlement Resolution. Please clarify the misalignment in settlement resolution between the two documents.

With respect to the settlement resolution, the settlement process reports each of these charge types at the interval level. Market Rules Chapter 9 Section 3.9.2 defines these as hourly charges to represent the aggregate of all intervals for the settlement hour.

Physical Bilateral Contract (BPC) Submission and Settlement Amount Calculation (CT1100/CT1101/ CT1102/CT1103)

1. IESO Charge Types and Equations Section 2.4.2, with reference to Market Rules Chapter 8 Section 2.3 indicates that: Physical bilateral contract data, submitted by selling market participants to the IESO in the day-ahead market and/or real-time market...

Please clarify what is meant by submission of PBC contract data in respect to the day-ahead market (DAM) and/or the real-time (RT) market. Does this mean that for each hour, the PBC data to a particular location can be settled using a combination of DAM or RT market depending on the submission timing? Please also clarify if the PBC submission will be ONE submission and that it will be settled based on registered resource type.

2. If a PBC standing contract (e.g. for a 12-month contract term) is submitted ahead of time, will it be settled using the DAM HPTSA_PBC{1} only with no RT HPTSA_PBC{2} balancing adjustments?

3. When submitting PBC contract data, how would a selling market participant find out what is the resource type of the buying market participant? Is it dependent on the registered resource type in the determination of the equation to be used to settle PBC amounts?

4. In the document, PBC charge types CT1100/CT1101/CT1102/CT1103 are defined as HPTSA_PBC(1) and HSPTA_PBC(2) which are based

The IESO is currently reviewing and reassessing how PBCs will be settled in the renewed market. Further clarity will be provided as part of stakeholder engagement activities for the Final Alignment batch. For more information on the proposed settlement changes to PBCs, please refer to the provisionally approved MM5.3: Physical Bilateral Contract Data.

on DAM and RT variables separately, without balancing functions. Please clarify if these charge types only have one applicable formula per submission.

CT1120:

The charge type name, RT_NISLRU, is missing from the equation

Thank you for your feedback. The charge type acronym will be added as part of the Final Alignment batch.

CT1350/CT1351:

This revision of the IESO Charge Types and Equations removed a series of capacity obligation settlement charge types, such as CT1314, CT1315, etc. However, the removed charge types are still referenced as active charge types under the "Equation" section for CT1350 and CT1351.

Please confirm the status of the removed capacity obligation settlement charge types.

As indicated in the Readers guide, all capacity auction charge types and equations, variable descriptions and rounding conventions were excluded because of ongoing market rule amendments processes related to the capacity auction. This information will be updated in January 2024.

General Comments/Feedback

Currently, settlement variable definitions are dispersed throughout Market Rules Chapter 9 Appendices and in the IESO Charge Type and Equations document. This has resulted in inefficiencies in reviewing the documents as reviewers have to spend additional time seeking out the definitions. For ease of reference, OPG proposes that all settlement variable descriptions be collected and placed within a single location, e.g. in an appendix within Market Rules Chapter 9. OPG thanks the IESO for the opportunity to provide feedback for the IESO Charge Types and Equations document.

All settlement variables that are related to market charges have been defined in Appendix 9.2 of Chapter 9 of the Market Rules. The settlement variables that are defined in Table 2-1 of Section 2.1 Variable Descriptions in IESO Charge Types and Equations are associated with non-market settlement programs as mandated by applicable law, administered by the IESO.