



**Assessment of Impact of Rule
Amendment on Consumers re Prices,
Reliability and Quality of Electricity
Service**

This form is used to document the *IESO's* assessment of the impact of a proposed *market rule amendment* on the interests of consumers with respect to prices and the *reliability* and quality of electricity service. Please complete all parts of this form.

Terms and acronyms used in this Form that are italicized have the meanings ascribed thereto in Chapter 11 of the *Market Rules*.

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00443-R00
Title:	Transmission Rights Clearing Account Disbursements

PART 2 – ASSESSMENT

The following is the *IESO's* assessment of the impact of the proposed *market rule amendment* on the interests of consumers with respect to prices and the *reliability* and quality of electricity service.

Impact on Prices

The current transmission rights clearing account disbursement methodology incents inefficient export bidding behaviour due to the expectation of a future disbursement. This can lead to inefficient exports, which can be costly to Ontario consumers as it can result in higher costs such as CMSC and unit commitment costs. The proposed amendments to the market rules would see all surplus amounts in the transmission rights clearing account, above the reserve threshold, disbursed to market participants proportionately based on the type transmission service charges paid. Ontario loads contribute a much greater share (~98%) of total transmission costs compared to exporters and therefore under this proposed market rules amendment, Ontario loads will receive a larger proportion of the disbursement. This will result in both increased equity, whereby, Ontario loads will receive a greater portion of the disbursement, and will lead to increased efficiency in the export market by reducing the expectation of a future disbursement for exporters.

Impact on Reliability of Electricity Service

None

Impact on Quality of Electricity Service

None.

Date Assessment Prepared: July 7, 2020