

Reasons of the IESO Board in respect of an amendment to the market rules

Terms and acronyms used herein that are italicized have the meanings ascribed thereto in Chapter 11 of the *market rules*.

The following sets out the *IESO Board's* reasons for its decision on the proposed *amendment* to the *market rules* identified in Part 1 below (the "**Amendment**").

PART 1 – MARKET RULE INFORMATION

Identification No.: MR-00447-R00

Title: CMSC Recovery from Dispatchable Loads
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The *IESO Board* convened to consider the Amendment on the date and location set out in Part 2 below.

PART 2 – BOARD MEETING INFORMATION

Date: March 10, 2021

Location: Virtual Meeting

Prior to considering the Amendment, the Chair of the *IESO Board* enquired whether any director of the *IESO Board* had a conflict of interest to declare, the result of which is set out in Part 3 below.

PART 3 – CONFLICTS OF INTEREST

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| <input checked="" type="checkbox"/> No conflict was declared. |
| <input type="checkbox"/> Any director declaring a conflict of interest abstained from voting on the adoption of the Amendment. |

The *IESO Board* was presented with the materials in respect of the Amendment identified in Part 4 below (the "**Materials**"), all of which is *published* on the *IESO's website* subject to such redactions as *IESO* staff determined reasonably necessary.

PART 4 – MATERIALS

- Memorandum from the Technical Panel Chair
- Market Rule Amendment Proposal as recommended by Technical Panel
- IESO Staff memo to Technical Panel
- Draft Resolution
- Technical Panel member vote and rationale
- Consumer Impact Assessment (this assessment is required to support the Ontario Energy Board market rule amendment review process)
- Technical Panel and Stakeholder Comments (this assessment is required to support the Ontario Energy Board market rule amendment review process)

Having considered the Amendment and the Materials, the *IESO Board* decided as identified in Part 5 for the reasons set out in Part 6.

PART 5 – DECISION

- The *IESO Board* decided in favour of the adoption of the Amendment.
- The *IESO Board* referred the Amendment back to the *technical panel* for further consideration and vote.
- The *IESO Board* decided against the adoption of the Amendment.

PART 6 – REASONS

The *IESO Board* reviewed the Materials including the unanimous *technical panel* vote to recommend MR-00447-R00 for approval by the *IESO Board*. The Markets Committee of the *IESO Board* discussed the Amendment and recommended it for adoption at the March 10, 2021 *IESO Board* meeting.

The *IESO Board* decided to adopt the Amendment recommended by the *technical panel* with an effective date of April 6, 2021.

The *IESO Board* adopted the Amendment for the following reasons:

1. The Amendment addresses a misalignment in the market rules. Existing provisions in the market rules explicitly allow for the recovery CMSC payments made to dispatchable generators when those payments are a result of actions taken to prevent endangering the safety of any person, equipment damage, or the violation of any applicable law (SEAL). The Amendment will align the recovery of SEAL related CMSC payments earned by dispatchable loads to the existing treatment applied to dispatchable generators.
2. The Amendment addresses two outstanding Market Surveillance Panel (MSP) recommendations by adopting market rules that allow for the recovery of unwarranted (i.e. as a result of market participant actions or conditions at their facility, rather than conditions on the IESO-controlled grid) CMSC from dispatchable loads.
3. The Amendment is consistent with design decisions under Market Renewal Program where dispatchable facilities will not be eligible for a make-whole payment when it is dispatched up or down for SEAL reasons, or at its own request.