

# Market Renewal - Day Ahead Market (DAM) and Enhanced Real-time Unit Commitment (ERUC)

## Meeting 4: Response to Stakeholder Feedback

Following the January 31st Day Ahead Market and Enhanced Real-time Unit Commitment stakeholder meetings, the IESO invited stakeholders to provide comments and feedback on a series of design options.

The IESO received feedback from:

- APPrO
- Emera Energy
- HQ Energy Marketing
- Nalcor Energy
- Northland Power Inc.
- Ontario Power Generation
- TransAlta
- Workbench Corp.

This feedback has been posted on the IESO stakeholder webpage for this engagement.

### Note on Feedback Summary

The IESO appreciates the feedback received from stakeholders outlining their preferred approach or recommendation on different aspects of the DAM and ERUC designs. These have been noted and will be considered as the engagement moves toward making preliminary decisions. The IESO has provided a summary table below, which outlines specific feedback or questions for which an IESO response was required at this time.

### Stakeholder comments and IESO responses

Design Element	Company	Feedback	IESO Response
DAM - Load Participation	Not For Public Posting	What is the IESO's preliminary expectation for uptake on the Price-Responsive Load option, in terms of MW?	There is no estimate of how many loads or MW would likely choose to become Price Responsive Loads however we expect that initial uptake would come from registered wholesale load participants. Based on 2016 data, there was an average of about 1750 MW of wholesale transmission connected NDL.
DAM - Load Participation	Not For Public Posting	Who are these potential loads (generally), and how significant in terms of peak demand may they be?	
DAM - Load Participation	Not For Public Posting	Can the Price Responsive Load option apply to non-dispatchable (directly-connected or embedded) generation?	

<b>Design Element</b>	<b>Company</b>	<b>Feedback</b>	<b>IESO Response</b>
DAM - Virtual Transactions	Not For Public Posting	What is envisioned as the virtual trading platform? Is the IESO looking to match virtual supply/demand bids/offers, or is it a bilateral reporting type of idea?	The IESO would not be matching virtual offers and bids. Virtual transactions are evaluated along with physical transactions in the DAM and can receive DAM schedules. They are also subject to two settlement like all other resources participating in the DAM. However because they are not physical, they assume a quantity of 0 MW in real-time. The IESO will be providing stakeholders with additional education on virtual transactions in order to facilitate further design discussions.
DAM - Virtual Transactions	Not For Public Posting	Are virtual transactions settled in the physical market? Or will this expand the financial market where (to my understanding) we only settle Transmission Rights?	
ERUC - Timing & Frequency	Not For Public Posting	Is the ramp up period between sync and MLP part of the ERUC schedule, or is it self-scheduled ahead of the ERUC and seen in the equivalent to pre-dispatch? Would the period between sync and MLP be scheduled according to ramp rates, or by some other measure?	No change in dispatch for the ramp up period is expected. The resource will receive a binding start-up instruction and operational constraint for its minimum generation block run-time. The MP will offer their expected ramp rates for the period from synchronization to MLP. The IESO's real-time dispatch will calculate the 5-minute dispatch schedules based on offers received from all resources.
ERUC - General	Not For Public Posting	Given the natural deviation from ramp dispatch (a function of tool limitation), would there be any eligibility implication of mismatch between dispatch and output during ramp?	This natural deviation exists today between real-time dispatch and output. This will not impact eligibility for make-whole payments.

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ERUC - Market Participant Data	Not For Public Posting	Is it envisioned that non-price parameters are bid on a daily basis, or are part of registration?	Non-price offer parameters are offered into the market; offer submission could be daily (e.g. MGBRT) or hourly (e.g. ramp rates).
ERUC – Commitment Cost Mitigation	Not For Public Posting	Please confirm that the IESO will not rely on (the flawed and heavily contentious) individually pre-approved RT-GCG start-up costs for development of reference levels for competitively bid start-up costs in a future ERUC.	The methodology for developing reference levels will be discussed with stakeholders as part of this stakeholder engagement.
DAM - General	Not For Public Posting	Are uplifts expected to be allocated zonally or socialized across all zones?	No preliminary decisions on uplift recovery have been brought forward. The upcoming Mar 27 <sup>th</sup> session will discuss uplift and provide preliminary decisions for recovery and disbursement.
MRP - General	Not For Public Posting	Is the practice to be uplift specific, or the same methodology used across zones?	Under Energy, certain uplifts may be allocated based on cost-causation. This may be addressed during detailed design.  Under ICA, zonal cost recovery is being considered, but may require regulation changes.

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MRP - General	Workbench Corp.	<p>The IESO clearly verbally acknowledged the requirement to have a mechanism in the future DAM and ERUC that parallels what the current DACP does with pseudo-unit modeling. It would be extremely helpful to have the IESO include the acknowledgement of unit dependencies of CCGTs documented in the discussions of both DAM and ERUC. Many of the detailed design elements and scheduling concepts will have different impacts if units are scheduled independently of one another, or as a connected model. It is acknowledged that it is early to identify exactly how this will be done, be it pseudo-unit models in a tool, a registration change, some kind of virtual metering, etc., but the documented acknowledgement of this requirement would be appreciated.</p>	<p>The IESO intends to apply consistent CCGT modelling that takes into account unit dependencies for both DAM and ERUC scheduling. The specific modelling mechanisms will be determined with stakeholders at a later stage of the project.</p>

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DAM - Submission and Posting Deadlines	Workbench Corp.	<p>The IESO has nicely reflected the gas-electric coordination project in the early timeline indications. It is important that the IESO continue to integrate DAM processes with natural gas market timelines, particularly in two areas:</p> <ol style="list-style-type: none"> <li>1. Offer submission deadline that allows time for indicative trades and prices to be published (10:00 EPT or thereafter); and,</li> <li>2. DAM financially-binding commitment schedule received ahead of natural gas timely nomination window, with a time window to make those submissions (no later than 13:30 EPT).</li> </ol>	<p>From the Gas-Electric Coordination Enhancements stakeholder engagement, the IESO understands that the main priority of natural gas generators in Ontario with respect to Day-Ahead processes is to have them better align with the natural gas timely nomination window (14:00 EPT). Whether the submission deadline can be deferred beyond the current proposal of 09:00 EST will be considered during detailed design when vendor software capabilities are known.</p>
DAM - Must Offer Requirements	Workbench Corp.	<p>The value of must-offer obligations in the DAM is understood. The implementation of must-offer obligations is more challenging given the mix of existing requirements under regulatory and contractual designs that are in play in Ontario. It is not clear whether the must-offer obligations under</p>	<p>The DAM must offer requirement will apply to all future DAM participants, regardless of whether they cleared the ICA. The IESO will provide further clarification on the DAM must offer requirement at the March meeting.</p>

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		discussion apply to all future DAM participants, or only those that are brought to market via the ICA.	
DAM - Must Offer Requirements	Workbench Corp.	There are existing financial incentives that deal with the risk of physical withholding in some contracts. Adding additional must-offer obligations to existing market participants may be at best redundant and at worst punitive if those obligations are somehow conflicting with contractual terms. In the day-ahead timeframe, this is of less concern than in a real-time ERUC timeframe.	While certain contracts may have incentives or requirements to offer energy into the market to guide capacity performance, the purpose of the energy stream must-offer obligation is different in that it is meant to prevent physical withholding. It would be applicable to all resources regardless of whether they are contracted or not.
DAM - Must Offer Requirements	Workbench Corp.	There are challenges when we look at translating must-offer obligations to the real-time market. Existing NUG contracts with only day-ahead must-offer obligations were designed with recognition that the security of real-time natural gas supply relies on costly services. In addition, some of these contracts are held by facilities in the northeast and northwest	The IESO will be bringing forward secondary decisions for the must offer requirement that may recognize availability issues related to gas services.

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		<p>locations, where transmission system constraints and limited supply competitors may trigger market power mitigations. Extending must-offer obligations to real-time may have unintended consequences for these contract holders, depending on implementation.</p>	
DAM - Must Offer Requirements	Workbench Corp.	<p>If the IESO implements an outage requirement for facilities that are unable to deliver and balance natural gas with short notice, these facilities may bump into negative consequences in the measurement of contract availability</p>	<p>Changes to existing outage management rules are not within the scope of the DAM design. Additional must offer details will be presented to stakeholders at the next meeting in March.</p>
ERUC – Offer Changes	Workbench Corp.	<p>If the IESO implements offer price change restrictions in real time with thresholds designed for Market Power Mitigation, these thresholds will need to be designed with sufficient flexibility to acknowledge the potentially significant cost difference between delivering day-ahead gas and real-time gas. Real time offers may need to consider increased intra-day</p>	<p>The IESO will consider these factors in determining the thresholds for market power mitigation.</p>



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		<p>commodity price, marketer fees, distributor penalty charges, overrun charges, etc. This may apply to MW above a DAM schedule, in addition to a DAM schedule, or for an ERUC schedule that was not signaled in the DAM. Without appropriate thresholds in the initial design, the market may be unnecessarily burdened with disagreements and/or compliance investigations.</p>	
MRP - General	Workbench Corp.	<p>It is important for the IESO to recognize and understand the capacity cost of holding the firm, flexible gas delivery and management services. While many of the large CCGT and SCGT facilities have subscribed to these services having secured sufficient capacity funding through contracts, the Market Renewal project as a whole needs to recognize the value that is provided by these services, and acknowledge that if the reliability and security of supply from the gas fleet remains a priority, a</p>	<p>The IESO recognizes that it will be important to consider costs and opportunities associated with varying levels of gas delivery and management (GD&amp;M) services as part of the ICA stakeholder engagement process. The impact of GD&amp;M services on a number of ICA design elements (e.g. Net CONE, Market Power Mitigation, Resource Performance Obligations, etc) will be discussed further as part of the decisions phase in the ICA SE.</p>

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		<p>future Capacity Market (in a post-contract environment) may need to bear those service costs. The exercise in understanding, assessing and prioritizing those costs may be valuable.</p>	
DAM - Must Offer Requirements	Emera Energy	<p>With regards to the real-time must offer obligation, there should be an opportunity to differentiate unavailability due to a mechanical issue (i.e. outage) from unavailability due to an operating parameter (i.e. ramp duration would not allow unit to start and run within the evaluation period).</p>	<p>The IESO will be bringing forward secondary decisions for the must offer requirement that differentiate between mechanical unavailability and unavailability due to other operating parameters.</p>

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ERUC - Offer Changes	TransAlta	If a facility receives a binding ERUC instruction, its offers would be restricted as per the preliminary decision. No increases or more restrictive offers would be allowed for that ERUC resource. However, if the ERUC resource was only committed for partial volumes for those hours, offers changes should be allowed for the non-committed volumes.	<p>The decision to commit is based on evaluation of the entire advisory schedule provided at the time of commitment. However, the IESO recognizes the need to consider the quantity to which the restriction applies: advisory schedule or full capacity of the resource.</p> <p>This will be further discussed at the March meeting.</p>
ERUC - Offer Changes	TransAlta	How would shut down offers be reflected in order to be ramped down after a binding ERUC instruction?	If a commitment is not extended in the pre-dispatch timeframe, a generator may come offline by increasing their offer price to signal the desire to ramp down to come offline or by maintaining their offers at cost, allowing the real-time dispatch to bring them offline.

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DAM – Must Offer	TransAlta	<p>Could the IESO please provide examples of how the ICA, DAM, ERUC and RT markets would work together? How does an obligation in the ICA flow through to RT? What are the offer obligations, compliance obligations and penalties associated with each of these markets?</p>	<p>The ICA must-offer obligation will be used to measure the performance and availability of a resource procured in the Incremental Capacity Auction and is a separate obligation from the must-offer requirement in the energy stream. The ICA must-offer obligation will be assessed real-time availability against the ICA Capacity Obligation and may result in a:</p> <ul style="list-style-type: none"> <li>• Reduction in current Capacity Obligation;</li> <li>• Reduction in future Qualified Capacity;</li> <li>• Credit or charge based on whether resources exceed or fall short of expected availability.</li> </ul> <p>The must-offer obligation in the energy stream will protect against physical withholding, and is meant to compensate the energy/reserve market for the act of physical withholding. The framework for the must-offer obligation will be discussed at the March meeting.</p>

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ERUC - General	Northland Power Inc.	If an NQS generator receives a DAM schedule and price for day n, are they required to offer that same price into the RT market on day n?	No, they are not required to offer the same price in RT, however there are limitations to offer price changes, as follows: <ul style="list-style-type: none"> <li>For commitment costs (which include start-up, speed no-load, and energy up to MLP), offer price increases are not allowed, but decreases are allowed</li> <li>Energy offer price increases and decreases are allowed for quantities over MLP, regardless of the DAM schedule, subject to market power mitigation where applicable</li> </ul>
DAM - General	Northland Power Inc.	If an NQS generator receives a DAM schedule and price for day n, are they guaranteed to be dispatched in RT?	In RT, they will be dispatched at MLP or greater for the duration of their MGBRT starting with the first DAM-scheduled hour above MLP. Pre-dispatch may further dispatch the generator based on economics.
ERUC - General	Northland Power Inc.	Do NQS generators with a DAM schedule have the option to lower their RT price to ensure a dispatch (i.e. in case the RT price drops)?	Yes, this is allowed.
ERUC - General	Northland Power Inc.	If it is true that NQS generators have the option to lower their RT price to ensure that they are dispatched, can then they lower it to the Minimum MCP?	Yes

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ERUC - General	Northland Power Inc.	If an NQS generator can drop their price during RT, is it for only the \$/MWh portion?	No. After DAM, they can drop their price for start-up and speed no-load costs as well as for energy (\$/MWh).
DAM - General	Northland Power Inc.	For a given NQS resource, will they put three part offers in as part of the DAM timeline for day n?	Yes, three-part offers will be used in the DAM.
ERUC - General	Northland Power Inc.	If an NQS generator does not receive a DAM schedule, can they re-offer into the RT market as long as they respect RT market the timelines?	Yes
DAM - Submission and Posting Deadlines	HQ Energy Marketing	The decision to execute DAM between 9:00 and 12:30 EST will result in a submission deadline at 09h00 am eastern standard time ("EST") in order to participate into the DAM. However, all the neighboring jurisdictions are using the eastern prevailing time ("EPT") throughout their market, HQEM would like to know the rationale for the IESO to continue using the EST throughout the year. Making the time change would make a better alignment with other markets, and since the IESO is in the process of a market renewal, the timing for such a	A change to operating in EST across all timeframes is not within scope of the Market Renewal Initiative as it is not considered a foundational element of design. Furthermore, it would require significant internal and external process and system changes that introduce additional implementation risk.

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		change would be appropriate.	
DAM - Submission and Posting Deadlines	HQ Energy Marketing	HQEM would also like to know the rationale behind advancing the submission deadline at 09h00 am instead of 10h00 am EST, as it is presently used for the DACP submission deadline. Allowing market participants to bid until 10h00 am EST would make a better alignment with neighboring jurisdiction, such as, on one side ISO-NE, and on the other side PJM and MISO, which submission deadlines are respectively 10:00 and 10:30 am EPT. Also, it would make it easier on participants, as they wouldn't have to change the current business schedule they are using.	The DAM submission deadline of 09:00 EST was proposed given the estimated time required to execute and clear the DAM ahead of the natural gas timely nomination window (14:00 EPT). Whether the submission deadline can be deferred beyond the current proposal of 09:00 EST will be considered during detailed design when vendor software capabilities are known.
DAM - Optimization of ELRs (Formerly Offer Resubmission for	OPG	The IESO has proposed eliminating the Energy limited Resource (ELR) window in the DAM design. This resubmission window provides an opportunity	As discussed at the Jan 31stakeholder meeting, retaining the ELR resubmission under a DAM would not be equitable for all resources. The IESO is committed to working with stakeholders on alternative

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ELRs)		for hydroelectric suppliers to use improved water forecasts, as they become available, in their offers. Under a financially binding market, this window may also be beneficial to reduce supplier risk from changing water conditions outside its control.	methods for ELRs to manage operational and financial risks in the DAM.
DAM - Market Power Mitigation	OPG	In implementing a process for mitigating post-DAM uneconomic offers, it is assumed that offer changes in Real Time are a result of a market participant taking advantage of local market power. In reality, there are legitimate reasons for offer revisions to reflect changing conditions; such as, hydro flows and head (Jan 31 DAM SE meeting, slide #78-81)	The proposed approach to mitigate for uneconomic offers is intended to remove the ability to exercise market power through offers which are too low. The thresholds which are applied in these cases should achieve this goal while at the same time affording participants a reasonably sufficient ability to reflect changing conditions.
DAM - Make Whole Payments	OPG	Slide #86 contains a table for make-whole payments. The description for condition 2 reads "DAM energy and commitment costs for NQS < DAM energy and operating reserve revenues." Should the sign not be '>'?	Yes and thank you for the correction. The sign was intended to be in the opposite direction.



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DAM - Optimization of ELRs (Formerly Offer Resubmission for ELRs)	OPG	A design structure to manage financial and operational risks is critical to maximize the value of existing hydroelectric and pump storage resources. For this reason, OPG would like the IESO to consider the plan to enhance the optimization of ELRs in the high level design report rather than deferring to the detailed design phase.	IESO thanks OPG for expanding on some of the alternative ways for ELRs to manage risks in lieu of the current DACP resubmission window. The IESO is committed to work with stakeholders to implement a solution that allows cascade resources to participate in the day-ahead market within an acceptable level of financial and operational risk. While it is the IESO's intent to capture these decisions within the high level design, they may be subject to change with detailed design as they may depend on vendor software capabilities.
ERUC - Offer Changes	OPG	Slide #94 and #95 (ERUC) restricts the changing of non-price offer parameters in Real Time. OPG believes this should be clarified to allow for offer revisions to reflect actual unit capabilities. Restricting offer revisions to reflect unit capabilities could result in security/reliability concerns. The reasons for any changes that represents a more restrictive equipment limitation would be subject to Market Surveillance validation.	Although resource capabilities can change, revisions to non-price offer parameters after commitment can undermine reliability and increase uplifts. This will be further considered by the IESO, and discussed at the meeting in March.

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ERUC - Offer Changes	OPG	Slide #93 states, “No offer price increases allowed for the hours that a resource is committed by ERUC”. OPG would appreciate further clarification whether this applies only for the loading in the advisory report (based on the latest run or other)?	<p>The decision to commit is based on evaluation of the entire advisory schedule provided at the time of commitment. However, the IESO recognizes the need to consider the quantity to which the restriction applies: advisory schedule or full capacity of the resource.</p> <p>This will be further discussed at the March meeting.</p>
ERUC - Offer Changes	OPG	If a resource is committed by ERUC via a mitigated price, does a revised offer price above the mitigated price but lower than the original offer price constitute a price increase?	Yes.
ERUC - General	OPG	OPG recognizes the IESO’s scope for ERUC only includes “long start generation units that are eligible for the current RT-GCC program”. The IESO is also looking for ways to better utilize energy storage. OPG believes much greater benefits from currently available energy storage (e.g. Pump storage) and those anticipated in the future can be realized through multi hour optimization with unit	The IESO is interested in hearing from stakeholders on ways to improve the efficiency of market mechanisms including participation by new resource types. The Non-Emitting Resource Subcommittee and non-emitting resource Request for Information are both aimed, in part, at identifying barriers for non-emitting resources. As part of its LTEP implementation plan, the IESO will also be launching an energy storage working group. The IESO considers these forums the appropriate opportunity for

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		<p>commitment. Short of any currently identified mechanisms that would achieve this, OPG recommends the IESO to reconsider expanding ERUC to include energy storage.</p>	<p>stakeholders to bring to the IESOs attention any barriers related to the participation of pumped storage or other resources in ERUC. Information exchanged here will help inform the Market Renewal Program and allow the ERUC initiative to focus on its primary mandate to improve the efficiency of the existing Real-time Generator Cost Guarantee (RT-GCG) program.</p>
ERUC - Intertie Transactions	APPrO	<p>Under option 1, if only DAM Intertie transactions are evaluated in ERUC, does this mean that you cannot participate in RT without a DAM schedule?</p>	<p>No. Intertie transactions are able to participate in RT without a DAM schedule; under option 1, non-DAM scheduled intertie transactions would be evaluated in T+1 and, if scheduled, must be available in RT. The new option 3 that was introduced at the March stakeholder meeting evaluates intertie transactions without a DAM schedule in both T+1 and T+2.</p>
ERUC - Intertie Transactions	APPrO	<p>Under option 2, what is the timing of the ERUC advisory schedule, and how does it compare to the current PD schedule timing?</p>	<p>For all options, schedules will be published by 15 minutes past the hour for T+1 and T+2, and by 30 minutes past the hour for the remaining hours of the look-ahead period. Current PD is published at about 15 minutes past the hour.</p>

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ERUC - Intertie Transactions	APPrO	Under option 2, how would penalties differ from the current intertie failure charges and would they only be applied if the schedule deviation had a negative impact on the market?	There is no change proposed to the RT intertie failure charge, which applies to any intertie transaction scheduled in T+1 that is not available in RT. This charge is triggered for imports if the adjusted RT price is greater than the PD price, and for exports if the adjusted RT price is less than the PD price. In this way, it applies only if there is a negative impact on the market.
Reference Quantity (formerly Must Offer) Requirements	APPrO	<p>With respect to notification of unavailability, it is APPrO's opinion that an outage slip may not always be the appropriate mechanism. It should be considered that certain contracts, like the CES, have an Availability component and any outage slip submitted will impact that resource's availability calculation. Consequently, certain types of unavailability may require a different/new mechanism to signal to the IESO that it is not available.</p> <p>Unavailability due to the lack of liquidity in the intra-day natural gas markets or the inability to</p>	Noting that this feedback was submitted prior to the March stakeholder meeting, the IESO brought forward a preliminary decision at the March meeting on how non-outage related restrictions may be accounted for in the reference quantity (formerly must offer) requirement. We have requested that stakeholders provide feedback on what these restrictions may be and why they exist.

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		access GD&M services, is such an example where a new notification process should likely be considered.	
ERUC - Offer Changes	APPrO	APPrO assumes the offer price restriction is only in relation to offer increases and not decreases. However, can the IESO please confirm this understanding?	This understanding is correct. Offer price decreases are allowed.
Initiation of Operational Commitments	APPrO	In order to get a better understanding of how the DAM schedules and commitments will transfer to the real-time ERUC engine, could the IESO please provide examples where a generator receives a DAM schedule above its MLP and beyond MGBRT, and the ERUC then determines that the additional MWs above MLP and beyond MGBRT are no longer required. Please explain how this translates into the RT (operations for the generator) and impacts on the 2-settlement.	<p>IESO will be bringing forward various DAM to pre-dispatch commitment and settlement scenarios at the May meeting.</p> <p>The DAM schedule will provide an operational constraint for MGBRT at MLP which will be respected by pre-dispatch schedules and real-time dispatch schedules. Beyond MGBRT, hourly pre-dispatch runs published by 15 minutes past each hour will determine if the MLP operational constraint will be extended for the next hour. Above MLP, real-time operation is based on the real-time dispatch instruction.</p>

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Initiation of Operational Commitments	APPPrO	In order to get a better understanding of how the DAM schedules and commitments will transfer to the real-time ERUC engine, could the IESO please provide examples where the same DAM scenario as above occurs, but ERUC does continue to see a need for the MWs above MLP and beyond MGBRT. Please explain how ERUC will continue to constrain the generator (i.e. timing and mechanics)? Will it be hour by hour and only to MLP?	The impact on settlement will be further discussed in the May stakeholder engagement meeting.
Market Power Mitigation	APPPrO	As market power mitigation (MPM) will be a new feature in Ontario in both the DA and RT markets and likely adding risk on Ontario resources, it would be helpful if the IESO could hold a session strictly devoted to MPM. It would be beneficial if the IESO could illustrate a few examples looking at how MPM will be applied (and the potential impacts of being mitigated) in the DA and how that flows through to RT.	<p>Noting that this feedback was submitted prior to the March stakeholder meeting, the IESO held a session devoted to discussion of market power mitigation across all energy work stream projects at the March meeting, which provided additional clarity on this subject.</p> <p>Reference levels that are cost-based will be comprised of short-run marginal costs. The components of short-run marginal cost will be determined in detailed design.</p> <p>Cost-based offers are intended to provide reference levels which are based on a</p>

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			<p>resource's short-run marginal cost, as a proxy for competitive outcomes. Competition should drive resources to offer at short-run marginal cost. In some other jurisdictions, a resource's reference level is often determined by a recent average of its fuel-adjusted economic offers. It is also important to recognize that reference levels will be used along with the conduct and impact thresholds to determine if offers must be mitigated.</p> <p>See above.</p>
Market Power Mitigation	APPo	APPo would also like to understand how market power mitigation would be applied to commitment costs and how the IESO plans to determine eligible costs.	
Market Power Mitigation	APPo	With respect to the market power mitigation (MPM) framework as it relates to commitment costs, and specifically the start-up O&M component, is the intent to limit the generator's reference level to something along the lines of the new RT-GCG framework (i.e. limited to something less than 100% eligibility) or for it to be more in line with the current DACP program and thus more reflective of a generator's true costs?	

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Market Power Mitigation	APPPrO	<p>It is APPPrO's position that a generator should be able to offer its actual costs for starting in a future DAM as resources will be economically scheduled/dispatched with no after-the-fact cost submissions. Consequently, generators' reference levels with respect to commitment costs (such as start-up) should not be unjustifiably administered to anything lower than true costs. Otherwise the IESO would be forcing these generators to operate at a loss, as the MPM framework (in both the DAM and RT) would likely impact these generators' abilities to recover their actual costs for operating.</p>	
Market Power Mitigation	APPPrO	<p>Although this may be better suited to discuss in the SSM work stream, APPPrO has concerns over how MPM will work alongside shut-down offers. With respect to signaling shutdown, generators may need to offer above their reference levels in order to guarantee a shutdown, however</p>	<p>The market power mitigation regime will apply at all times, based on reference levels along with the conduct and impact thresholds.</p> <p>Generators will have the appropriate incentives to offer into the market and to remain online if they are the lowest cost resource to meet the system need.</p>



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		this could potentially cause the generator to fail the conduct and impact test and ultimately being mitigated. E.g., how will the IESO ensure a generator's offer is not mitigated as a result of the market power mitigation framework and potentially forcing the unit to stay online?	However, in a scenario where a generator becomes unavailable, it can utilize the outage process to submit a forced outage that reflects the status of their resource.
Market Power Mitigation	APPrO	APPrO requests that the IESO review MPM as it relates to capacity markets and locational design elements. Evaluating MPM in both the DA and RT, it will be contingent upon also understanding how it will be applied in the ICA.	MPM in the ICA will be discussed in upcoming meetings under the ICA project.

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