

From: IESO Engagement
Sent: January 18, 2017 11:48 AM
To: rntub`hehn
Cc: IESO Engagement
Subject: FW: Transmission Rights Market Review (SE-110)

Hi Ryan,

Thank you for your feedback.

The impact of Net Interchange Shadow Limit (NISL) on Transmission Rights (TR) market financials is currently outside of the scope of this stakeholder initiative. However, if and when we plan to revisit this element with stakeholders, whether in a future engagement on this subject or in another form through a different stakeholder engagement process, we will circle back with the current TR stakeholders and provide awareness of a more comprehensive TR market review which may include the interaction between NISL and the TR market financials.

If you have any questions, please let us know.

Thanks – Jason
IESO Engagement

From: Hehn, Ryan
Sent: December 19, 2016 12:00 PM
To: IESO Engagement
Subject: Transmission Rights Market Review (SE-110)

Hello,

During the “Transmission Rights Market Review”, was consideration given to the impact NISL events have on transmission rights payouts? While rare, intertie congestion of up to \$2,000/MWh has been observed when the IESO has taken action to mitigate NISL events. As a result, NISL events can have the following impact:

- NISL induced congestion skews TR payouts severely and may impact subsequent TR auctions
- discourages participants from exporting at the exact time the IESO is encouraging exports due to SBG (in fact, at times IESO SSR reports have relaxed the NISL limit to 1,000 MW to motivate participants to export)
- market participants preemptively reacting to NISL often moves NISL to subsequent hours where otherwise consecutive hours of exporting might smooth ramp issues out

Best regards,

Ryan Hehn
Power Trader
Manitoba Hydro