

****Nature of Questions/Comments:**

Stakeholders provided feedback to the proposed analysis for Phase 1 with respect to the following categories:

Category 1. Import/Export Competition

Category 2. Energy Trade

Category 3. Participation/Ownership in the TR market



Item #	Respondent Name	SE-110: TR Market Review - Questions/Comments	Submission Date	**Nature of Questions/Comments	IESO Response
1	HQ Energy Marketing Inc.	A more careful approach should be adopted in this case, notably recognizing (i) the limits of the non-statistical analysis in light of the first results, and (ii) that Phase 2 discussions might lead the IESO to draw different conclusions. HQEM thus recommends a temporary amendment that would prevent overselling of TRs and allow some time to think through all of the implications of different (yet possibly related) market features (possibly during Phase 2). Moreover, in this case, any amendment should be implemented progressively, and reports should be provided periodically to stakeholders.	August 2, 2013	General	Thank you for your comment. The IESO Board has been made aware that market conditions could have influenced the results of some of the data and that the IESO did not attempt to normalize the data for market behavior or conditions. The IESO is intended to implement any necessary reductions to TR availability through a gradual process which will be documented in an implementation plan. The IESO is committed to discussing this plan with stakeholders prior to implementation and welcomes stakeholder feedback.
2	Ontario Power Generation	In summary, OPG believes that a logical relationship between TR availability and energy trade is obscured by market conditions, undermining the strength on the conclusions that could be drawn by the performed analysis.	August 2, 2013	General	Thank you for your comment. As was noted in the analysis presentation and the final analysis plan the IESO agrees that market conditions would play a role in energy trade and energy competition data. However in some cases the data indicated that while trade increased which would signal favorable market conditions, hedged trades did not.
3	Ontario Power Generation	In summary, OPG believes that any changes to TR availability must be made cautiously and gradually via a closely monitored iterative process. As discussed above, given certain market conditions, a reduction in TR availability will reduce trader activity, which in turn may adversely impact the IESO in periods of SBG as well as during periods of supply shortages. OPG encourages the IESO to share the limitations of its analysis with the IESO board to inform their understanding of the risks involved in changing, and in specific reducing the number of available transmission rights..	August 2, 2013	Energy Trade	Thank you for your comment. The IESO Board has been made aware that market conditions could have influenced the results of some of the data and that the IESO did not attempt to normalize the data for market behavior or conditions. The IESO is intended to implement any necessary reductions to TR availability through a gradual process which will be documented in an implementation plan. The IESO is committed to discussing this plan with stakeholders prior to implementation and welcomes stakeholder feedback.
4	Ontario Power Generation	OPG would like to express concern regarding a possible duplications leading to over-reductions of TRs on paths affected by both processes and again cautions the IESO to take a conservative approach in converging towards its intended outcome of matching transmission congestion rents to TR holder payouts.	August 2, 2013	General	Thank you for your comment. The IESO is committed to discussing the appropriate number of TRs on each path, the process of which we will reach those numbers and the methodology to continue to achieve the confidence level as set by the Board with stakeholders. This concern will be raised at to those discussions.