



## Decision of the Independent Panel – Exemption Application #1364

### Part 1 – Panel Members

Panel Members hearing the application: Bill Sheffield, David Sinclair, Lisa Pearson, Robert Wong, Fiona Oliver-Glasford

### Part 2 – General Information

1. Exemption Application ID: 1364

2. Market Participant Name: Independent Electricity System Operator (“IESO” or, the “Applicant”)

3. Role of Applicant in the market as it pertains to this Exemption Application: System Operator

4. Date Exemption Application Heard: August 29, 2023

5. Market Rule(s) or Related Market Manual(s) from which the exemption is requested: Chapter 8, Section 4.10.1 & 4.11.1 as per exemption application

6. Material Reviewed:  
a) IESO summary presentation  
b) IESO exemption application  
c) IESO exemption plan

7. Applicant’s Position: Transmission Rights (TRs) that overlap the current and post-MRP market pose transition issues related to settlement and ownership periods. The IESO is requesting an exemption to the market rules that require certain TR auctions to be conducted so as to avoid these transition issues.

### Part 3 – Decision

**Decision:**

Exemption #1364 is issued to the IESO subject to the terms of conditions set forth in the Reasons of the Panel below.

### Part 4 – Reasons

**Reasons of the Panel:**

The Panel considers *exemptions* from the *market rules* on a discretionary and case-by-case basis if certain criteria are met.

In rendering the decision, the Panel considered the materials submitted as well as the applicable *market rule* requirements.

The exemption application, supporting materials and the discussion with IESO staff during the Panel meeting satisfied the Panel that granting the *exemption* will create no impact on the IESO's ability to operate the IESO-administered markets, no impact to the IESO's ability to direction operations of the grid, and would result in minimal reliability risk. Additionally, granting the *exemption* ensures that no TRs would be sold that would result in settlement or ownership concerns during the transition period into the post-MRP market.

Therefore, the *exemption* is granted until two months after the MRP commencement date. If IESO staff wishes to cease the *exemption* prior to that time, it will *publish* a notice to *market participants*.

Part 5 – Terms and Conditions

<b>Category</b>	<b>Terms and Conditions</b>
<p><b>Effective Date of Exemption</b></p> <p>(Or event causing the exemption to become effective)</p>	<p>Immediately upon IESO Board approval</p>
<p><b>Date of Expiration of Exemption</b></p> <p>- If greater than 5 years, the Panel must be satisfied that the circumstances justify a later date</p> <p>- Circumstances which will cause the exemption to immediately expire</p>	<p>Exemption to expire two months after the MRP commencement date.</p>
<p><b>Market Rule(s) or related Market Manual(s) from which the Exemption is granted</b></p>	<p>MR Ch8. Section 4.10.1 MR Ch8. Section 4.11.1</p> <p>If the above market rules are amended as part of MRP, the exemption shall apply to the market rules which provide the same obligations.</p>
<p><b>Restrictions on the manner of operation and or additional obligations to be met during the term of the exemption, if any.</b></p>	<p>The IESO shall make reasonable efforts to continue to conduct transmission rights auctions in accordance with the schedule prescribed in sections 4.10.1 and 4.11.1 of Chapter 8 for transmissions rights that (a) do not have an ownership period that overlaps with the effective date of the market renewal project market rules; or (b) do not result in an auction being conducted prior to the effective date of the MRP market rules for an ownership period that commences after the effective date of the market renewal project market rules.</p> <p>The IESO shall notify market participants as soon as possible, and in no event later than the date on which the pre-auction report for such auction is to be published, of any auctions which will not be conducted in accordance with the schedule prescribed in sections 4.10.1 and 4.11.1 of Chapter 8. The IESO will communicate TR auction cancellations via the IESO Bulletin. Following such notice, the IESO will also</p>

	<p>update the official transmission rights auction schedule posted on the IESO website.</p> <p>The IESO may reinstate a previously cancelled TR auction by providing notice to market participants via the IESO Bulletin of such reinstatement, provided such notice is issued prior to the deadline for the publication of the pre-auction report for such auction. Following such notice, the IESO will also update the official transmission rights auction schedule posted on the IESO website.</p>
<p><b>Monitoring Information Required</b></p> <p>Information required to be provided by the exemption applicant for monitoring by the IESO</p>	N/A
<p><b>Payment of Costs</b></p> <ul style="list-style-type: none"> <li>- Processing costs (when introduced)</li> <li>- Incremental exemption costs</li> <li>- Settlement amounts to be repaid</li> </ul>	N/A
<p><b>Reconsideration/Removal</b></p> <ul style="list-style-type: none"> <li>- Date on which the exemption will be reconsidered (if applicable)</li> <li>- Circumstances under which the exemption will be reconsidered (if applicable) other than unforeseen future change in circumstances</li> </ul>	N/A
<p><b>Transferability</b></p> <p>List the terms and conditions that need to be met to allow for a transfer of this exemption to be approved by IESO staff</p>	N/A
<p><b>Other:</b></p>	

