



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00439-R05		
Subject:	Transitional Capacity Auction		
Title:	Removal of DR Pilots and CBDR Sections		
Nature of Proposal:	<input type="checkbox"/> Alteration	<input checked="" type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	Ch. 2, 7, 9	Appendix:	
Sections:	Ch. 2 (section 5A, Appendix 2.2), 7 (sections 16, 17), Ch. 9 (section 4)		
Sub-sections proposed for amending:			

PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Draft for Stakeholder Review and Comment	May 15, 2019
2.0	Submitted for Technical Panel Review	June 18, 2019
3.0	Posted for Stakeholder Review and Comment	June 27, 2019
4.0	Submitted for Technical Panel Vote	August 6, 2019
Approved Amendment Publication Date:		
Approved Amendment Effective Date:		

PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

Provide a brief description of the following:

- The reason for the proposed amendment and the impact on the *IESO-administered markets* if the amendment is not made.
- Alternative solutions considered.
- The proposed amendment, how the amendment addresses the above reason and impact of the proposed amendment on the *IESO-administered markets*.

Summary

The IESO proposes to amend the market rules to evolve the Demand Response Auction (DRA) into the Transitional Capacity Auction (TCA) to address capacity needs in Ontario until the Incremental Capacity Auction (ICA) has commenced in late 2022.

Over its four auctions, the DRA has proven successful in driving down capacity costs and increasing competition. Enhancing the IESO's approach to capacity auctions this year by opening participation to other resources is another step toward a more competitive electricity marketplace; it moves Ontario's electricity marketplace down the path of efficiency, competition, and transparency – the key principles of the market renewal efforts.

This proposal will be discussed as part of the Transitional Capacity Auction stakeholder engagement initiative before consideration by the Technical Panel.

Further information on the Transitional Capacity Auction stakeholder engagement is found [here](#).

Background

While reviewing the market rules for TCA Phase 1 changes, there were sections of the rules that were no longer necessary to keep, relating to the Capacity Based Demand Response (CBDR) program, and the former Demand Response Pilots program. The sections in this package, detail the sections of the market rules that will be removed as part of this clean-up effort.

Discussion

This market rule amendment proposal was first circulated to stakeholders and market participants who are participating in the Transitional Capacity Auction stakeholder engagement. No responses to feedback were received pertaining to this proposal.

Each section listed below will be deleted or changed, to remove references to the former Demand Response Pilots program and CBDR. Specific changes to the market rules are listed below. There are five additional rule amendment packages that form the entirety of the proposed rule changes for the TCA.

PART 4 – PROPOSED AMENDMENT

Chapter 2

5A. Capacity Based Demand Response Program – Demand Response Security Requirements

- All sub-sections to be removed

Chapter 2 - Appendices

Appendix 2.2

~~1.1.6A — Each demand response market participant participating in the capacity based demand response program shall provide to the IESO and maintain one commercially available telephone and electronic mail address for the purposes of communicating with the IESO.~~

~~1.1.6A [Intentionally left blank – section deleted]~~

1.4.1 Subject to section 1.6, each *market participant* ~~other than a demand response market participant participating only in the capacity based demand response program~~ shall, for the purposes of conducting secure communications or transactions with the IESO using IESO-supplied or approved software, provide, install and maintain a *participant workstation* that meets the specifications, definitions and other requirements set forth in the *participant technical reference manual*.

Chapter 7

16. Demand Response Pilot Program

All sections to be removed

17. Capacity Based Demand Response Program

All sections to be removed

Chapter 9

4.7H Capacity Based Demand Response Program

- All sub-sections to be removed

4.7I Demand Response Pilot Program

- All sub-sections to be removed

PART 5 – IESO BOARD DECISION RATIONALE

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