

MARKET RULE AMENDMENT PROCESS

Demand Response Working Group

April 6, 2017

Agenda

- Market Rule Amendment Process
- IESO Market Rules vs Market Manuals
- Current DR Auction Market Rules
- Timeline & Market Rule Development Targets

Market Rule Amendment Process

- IESO uses a consultation process to review market rule amendments
- Technical Panel
 - Reviews all proposed market rule amendments
 - Provides advice to the IESO Board to ensure technical writing of proposed amendments reflects the final design and intent of the proposed change
 - Provides a recommendation on amendments with rationale to the IESO Board
- Panel members are industry experts from various classes of market participants and across various sectors
- IESO Board of Directors considers all market rule amendments
- Ontario Energy Board
 - Revoke and refer approved amendments back to the IESO
 - Review upon request or own initiative; hold hearings

Market Rule Amendment Process

Amendment Submission & Proposal

Technical Panel Reviews Amendment Submission, where applicable

Panel provided information/background then determines if the amendment submission “warrants consideration” and determines priority; waived if discussions held in formal engagement



Technical Panel Reviews Amendment Proposal

Amendment Proposal includes detailed change with rationale and draft rules

Panel determines if the amendment proposal will be posted for stakeholder comment



Technical Panel Reviews Amendment Proposal & Stakeholder Comments

Panel votes to recommend final amendment proposal to the IESO with commentary

Market Rules vs. Market Manuals

- IESO Market Rules specify market participant and IESO obligations
 - Higher level obligations
 - Specifies “what” market participants/the IESO are obligated to do
- IESO Market Manuals outline the specifics of how to meet those obligations
 - Specifies the “how” or the details of how MPs/the IESO must meet their obligations
 - If there is a discrepancy or inconsistency between market manuals and market rules, the market rules prevail

Demand Response Auction Market Rules

- MR-00416-R00 – Introduced the DR Auction mechanism.
- Chapter 7, section 18 “Demand Response Auction”
 - Details auction participation, parameters, clearing mechanisms and publication.
- Chapter 7, section 19 “Demand Response Market Participants with Demand Response Capacity Obligations”
 - Details eligibility, energy market participation and testing
- Other applicable market rules:
 - Chapter 2 section 5B – DR Prudential Requirements
 - Chapter 9 section 4.7J – DR Capacity Obligation Settlement
 - Chapter 11 – DR related definitions

Technical Panel Timelines for 2017 Auction

Target IESO Board Meeting : October 25th, 2017 - in advance of December 2017 auction

June 27
TP Meeting

- Provide introductory presentation to the Technical Panel

August 15
TP Meeting

- Present draft amendment proposal (red-lined market rules)
- TP Vote to Post amendment proposal for stakeholder comment

September 26
TP Meeting

- Present final amendment proposal
- TP Vote to Recommend amendment proposal to IESO Board