



Power to Ontario. On Demand.

IESO SENIOR MANAGEMENT UPDATE

To: Stakeholder Advisory Committee

From: Ted Leonard, VP Markets & CFO

Date: October 16, 2014

Subject: **Technical Panel Update**

Information Item

The IESO Technical Panel (TP) proposes and reviews amendments to the Market Rules, and as requested, advises the Board of Directors on specific technical issues relating to the operation of the IESO-administrated market. Members of the TP are represented by various stakeholders in Ontario's electricity sector.

This memorandum provides an update on the rules discussed at the most recent TP meetings.

Market Rule Amendments

On September 30th, the Technical Panel unanimously recommended that the IESO Board of Directors approve at its November 13, 2014 Board meeting, the following two market rule amendments:

[Demand Response \(DR\) Pilot Programs \(MR-00410\)](#)

- This proposal amends the market rules to allow the demonstration of DR capabilities through pilot programs in the IESO-administered markets.
- These rules would enable industry to build capability and allow the IESO to understand the needs for removing potential barriers to entry into the IESO-administered markets.

[Capacity Based Demand Response \(MR-00408\)](#)

- This proposal amends the market rules to allow the translation of the OPA's DR3 contract terms into the market rules.
- The Capacity Based DR program will be a temporary program that will transition DR resources to the IESO-administered markets, and ultimately to a DR auction.



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On August 26, the Technical Panel unanimously recommended, and the IESO Board approved at its September 11, 2014 meeting, the following market rule amendment which came into effect on October 3, 2014:

Eliminate the 15-Minute Restoration Obligation Under a High-Risk Operating State (MR-00409)

- This amendment removes the obligation to restore the IESO-controlled grid within 15-minutes during the existence of a high risk operating state, and align the IESO with North American Electric Reliability Corporation (NERC) and Northeast Power Coordinating Council (NPCC) obligations.

IESO Adjustment Account

The Technical Panel unanimously agreed to post MR-00411: Allocation of the IESO Adjustment Account for stakeholder comment for a three week period, ending October 23:

- This amendment proposes to change the options for refunding credit balances in the IESO's adjustment account back to market participants.
- It will remove the option to use the adjustment account credit balance to reduce the IESO administration charge in the following year, and replace it with an option to allow a more direct and timely distribution to market participants.