

Memorandum

To: Stakeholder Advisory Committee

From: Chuck Farmer, Director, Stakeholder & Public Affairs
Chair, IESO Technical Panel

Date: October 13, 2016

Subject: IESO Business Update – Technical Panel

The Technical Panel¹ met on September 13, 2016 to continue discussions and provide input on the following proposed market rule amendments:

- **Real-Time Generation Cost Guarantee (RT-GCG) – Cost Recovery Framework**
This update will serve to provide a brief overview on the discussions at the September 13 TP meeting. The proposed changes to the RT-GCG Cost Recovery Framework will be discussed in more detail under agenda item no. 3 of this Stakeholder Advisory Committee (SAC) meeting.

As noted in the August update to SAC, this proposed market rule amendment was designed to enable a new cost recovery framework for the real-time generation cost guarantee (RT-GCG) program. At their September 13 meeting, Panel members voted 6-4 against referring the proposed rule amendment to the IESO Board for consideration. The following comments were associated with their votes:

- Those members who voted against the rule changes stated continued desire to see the draft market manuals and finalizing discussions with the IESO to establish values for each individual participant prior to recommending this market rule amendment to the IESO Board.
- Those members in favour noted that the rationale of the market rule amendment was acceptable and that delaying the issues raised on the manual details should not impact the rule change.

¹ The IESO Technical Panel (TP) proposes and reviews amendments to the Market Rules, and as requested, advises the IESO Board of Directors on specific technical issues relating to the operation of the IESO-administrated market. Members of the TP are represented by stakeholders in Ontario's electricity sector.

For more details on this discussion, visit the [Technical Panel webpage](#) to view the meeting minutes.

The IESO has taken the Panel's comments into consideration and will allow additional time for stakeholders to review and provide comment on the draft market manuals but does not intend to make the approval of market rules contingent on completion of the manuals or the outcome of the one-on-one discussions with participants.

- **Demand Response (DR) Auction – Capacity Obligation Transfers**

The Technical Panel unanimously recommended this amendment proposal for IESO Board consideration. No issues or concerns were noted. These changes allow a demand response auction participant (DRAP) to transfer all or a portion of its demand response capacity obligation to another DRAP who had qualified capacity to offer into the demand response auction for the same commitment period. If approved by the IESO Board, the IESO expects an effective date of the fourth quarter of 2016.

- **Review of Day Ahead Calculation Engine (DACE) Market Rules**

The IESO presented the draft market rule amendment to allow for non-material changes supporting the Day Ahead Calculation Engine that were identified through a recent review conducted by the IESO. The Panel members voted in favour of posting the draft amendment for broader stakeholder feedback. To date no feedback has been received and the Panel will be asked to vote to recommend these changes to the IESO Board at their next meeting.

The next TP meeting is scheduled for October 18. A verbal update of that meeting will be provided at October 19 SAC meeting.

For more information or to review the materials for these initiatives visit the IESO Technical Panel webpage at www.ieso.ca/tp.