

Demand Response: Transitional Market Rules

April 3, 2014



- Amendment Process
- Goals for Transitional Market Rules
- Timeline – Market Rules Development Targets
- Market Rules Development
- IESO Market Rules vs Market Manuals

- IESO uses a consultation process to develop market rule amendments
- Technical Panel (TP) reviews/proposes amendments to the market rules and advises the IESO Board of Directors on technical issues related to the operation of the IESO-administered market
- Members are industry experts from various classes of market participants and sectors
- IESO Board of Directors considers TP recommendations (i.e., approves/does not approve proposed rules)

- IESO to implement market rules to transition commercial terms and conditions to a market structure
 - Target effective date for transition is Q1 2015
 - The IESO will honour all existing OPA contract terms and conditions but enable them through the market rules
 - IESO market rules are targeted to be in place to allow sufficient time for participant registration prior to effective date in Q1 2015

Market Rules Development Targets

May 5, 2014

- Education presentation to Technical Panel
- Provide members with a project background

June 17, 2014

- Introduce Market Rule Amendment Submission
- Technical Panel Vote → Warrants Consideration

July 22, 2014

- Introduce Market Rule Amendment Proposal
- Technical Panel Vote → Posting for Stakeholder Comment

Market Rules Development Targets

August 26,
2014

- Final Market Rule Amendment Proposal
- Technical Panel Vote → Recommend to the IESO Board for Approval

November
13, 2014

- IESO Board of Directors Vote on Final Market Rule Amendment Proposal
- Amendment effective no earlier than 22 days thereafter

January 1,
2015

- Target market rule effective date

- Chapter 6: Wholesale Metering
 - Any potential required changes to DR3 participant metering requirements, Metering and Verification plans
- Chapter 7: System Operations and Physical Markets
 - Program specifics: eligibility, parameters, operation, dispatch
- Chapter 9: Settlements and Billing
 - Data collection/management and non-hourly settlements

- IESO Market Rules will outline market participant and IESO obligations.
 - Similar to a contract agreement
- IESO Market Manuals will outline the specifics of how to meet those obligations.
 - Similar to OPA Program Rules

- Market Rule Chapter 7 section 3.4.1.1.1: Obligates variable generators to offer into the market the full capacity of the facility.
 - “for a *dispatchable generation facility* that is classified as *variable generation*, an offer to provide a *physical service* to the appropriate *real-time market* reflecting its *generation facility’s* full capacity available for production, determined in accordance with the applicable *market manual*.”
- Market Manual 4.4 section 1.3.2: Details that variable generators full capacity is equal to installed capacity net any derates or outages.
 - “generators having *variable generation* must submit *dispatch data* indicating the total installed capacity net any derates or *outages* in each *dispatch hour*;”