Engagement Plan

Transmission Rights Market Enhancement and Platform Refresh

Introduction

The IESO has initiated a market enhancement and refresh project that aligns with an IESO core strategy of ensuring system reliability and enabling competition. The project will achieve the following:

1. Deliver a modernized Transmission Rights Auction (TRA) platform to reduce risk of cyber events and introduce new functionality to increase end-user efficiency and improve user experience;

2. Enable an enhanced TR market by implementing multiple bid laminations.

The TR auction platform is based on outdated technology that is no longer being supported and doesn't align with existing IESO platforms. An updated platform, which will also deliver a new user interface, will more easily enable IESO to adapt/accommodate changes in the TR market. It will also minimize risks associated with running the TR auction platform on outdated and unsupported technology to sustain reliability of the TR market

Through the Ontario Energy Board's Market Surveillance Panel (MSP) recommendations, feedback was made regarding potential inefficiencies of the Transmission Rights (TR) market. In response, the IESO conducted a TR Market Review (completed June 2021), which among other efficiencies, identified that providing TR market participants with the ability to enter multiple-bid laminations would enhance the value of the TR market and encourage more flexibility for market participants and thereby increasing competition and liquidity opportunity.

As a result, the IESO will engage with market participants and other interested parties on the refresh to ensure an open and transparent process prior to IESO Technical Panel review of Market Rules.

<u>Background</u>

The Ontario TR market was established at market opening in 2002 and has been operating largely based on its original design and supporting technical infrastructure. TRs were introduced as a risk management tool to enable traders to hedge the financial risks associated with uncertain congestion at the interties..

Stakeholders and Communities

The IESO encourages all interested parties to participate in this engagement through the public engagement activities described in the Approach section below. The IESO anticipates that this initiative will be of particular interest to Transmission Rights Market Participants

Engagement Objectives

Stakeholders are:

- Informed of overall scope and project plan, including changes to the TR user interface

- Aware of the proposed changes to the market rules and market manuals, and are provided the opportunity to share input and feedback prior to IESO Technical Panel review

- Included and engaged in the roll out of the refreshed TR tool, including testing of new user interface and have an opportunity to provide feedback.

Approach

- This engagement plan will be implemented in accordance with the IESO's approved engagement principals.

- This is a public engagement process. All materials will be posted on the dedicated IESO engagement webpage, and, information/input provided by stakeholders will be posted (with their consent).

- The approach for this engagement includes opportunities to provide input through various channels such as webinars and written feedback.

- The project team will consider all relevant input and illustrate how feedback was considered into the design of the procurement documents.

Proposed Engagement Schedule

Anticipated timing for this engagement is presented below.

Timing	Engagement Activity
July 2023	Engagement webinar: • Inform Transmission Rights (TR) auction participants of upcoming changes to the TR Auction platform, including: - Scope of changes - Impacts to Market Participants - Estimated timing of milestones and implementation
October/November 2023	• Stakeholder Feedback on Market Rules & Market Manuals
February/March 2024	• Training Webinars on new Auction Platform
March/April 2024	• Market Trial/Readiness Testing
June 2024	Implementation date

Additional Background and Resources

Transmission Rights Market (ieso.ca)

Related Engagements