

Feedback Form

Transmission Rights Market Review webinar – March 23, 2021

Feedback Provided by:

Name: Alvin Zhang

Title: Portfolio Risk Management Analyst II

Organization: Bruce Power

Email: [REDACTED]

Date: April 15, 2021

Following the March 23, 2021 Transmission Rights Market Review (TRMR) engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the following items discussed during the webinar. Background information related to these feedback requests can be found in the presentation, which can be accessed from the [engagement web page](#).

Please submit feedback to engagement@ieso.ca by April 15, 2021. If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

Final Report

Topic	Feedback
Is there anything else the IESO should consider including when finalizing the TR Market Review Final Report?	<p>The methodology of calculating and applying Net Interchange Schedule Limit ("NISL") congestion should be reviewed and assessed to ensure that outcome is in line with the intention of market design.</p> <ul style="list-style-type: none">• The counterproductive issue of NISL congestion has been identified by Market Surveillance Panel ("MSP") in 2015. Details can be found in <i>MSP Monitoring Report on the IESO-Administered Electricity Markets for the period from May 2014 – October 2014</i>. MSP report has stated that "... <i>This very high ICP is counter-productive under these circumstances. The New York IZP of \$2,000/MWh signaled to traders that fewer exports and more imports were needed, when in fact the situation required exactly the opposite as Ontario did not have enough net exports to respect the NISL. A lack of net exports in this hour (compared with the previous hour) should not result in pricing that is punitive for existing exports while simultaneously deterring additional exports....</i>" . In this same report, MSP has made the following "<i>Recommendation 2-1 The Panel recommends that the IESO assess the methodology used to set the intertie zonal price for a congested intertie when the Net Interchange Scheduling Limit is binding or violated, in order to make the incentives provided by the intertie zonal price better fit the needs of the market.</i>" The issue that MSP has described remains in current market.• In the IESO's TR Market Review presentation on December 14, 2020, it stated that "the NISL congestion cost is currently omitted from applying to intertie settlement prices". However, NISL congestion seems embedded in intertie congestion price and intertie zonal price for congested interties. In the example detailed in the same MSP report above, it shows NYSI intertie congestion price went up from \$19.43/MWh to \$1,985.62/MWh after NISL congestion being considered. Hence the NYSI zonal settlement price went up to \$1,999.75/MWh which is significantly higher than the intertie price without congestion.

Topic	Feedback
	<ul style="list-style-type: none"> • There is a risk of double counting NISL congestion by including it into settlement price post Market Renewal Program ("MRP"). Since the NISL congestion is being embedded in the current intertie congestion price and zonal settlement price, we recommend the IESO provide examples demonstrating the difference on the intertie congestion price and settlement price pre and post MRP to ensure that the NISL congestion will not be doubled counted post-MRP.

General Comments/Feedback

Bruce Power appreciates and supports the following high value opportunities identified by the IESO during March 23rd TR Market Review meeting.

- Multiple bid laminations
- On/off-peak TRs
- Reconfiguration Auctions
- Publishing additional information.