

Feedback Form

Market Renewal Implementation – Draft Market Power Mitigation Market Rules and Market Manuals – August 12, 2021

Feedback Provided by:

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To promote transparency, feedback submitted will be posted on the Implementation Engagement webpage unless otherwise requested by the sender.

Following publication on August 12, 2021, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the draft batch of Market Rules and Market Manuals for Market Power Mitigation. The draft documents can be accessed from the [Implementation Phase documents webpage](#). Additionally, materials from the August 26, 2021 webinar where the IESO provided an overview of the documents can be found on the [engagement web page](#)

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

Market Rules – Chapter 7

What feedback do you have on the Chapter 7 draft market rule amendments?

Section / Topic	Feedback
22.1, 22.2	<p>22.1.1; 22.4.2; 22.4.3 - Methods for establishing reference levels should be in the Market Rules, not the Market Manuals.</p> <p>22.1.2 should be deleted. As drafted, the market participant is at risk for IESO failures to determine and register a reference level for the resource.</p> <p>22.1.3 permits far too broad an information request. It places undue burden on the market participant, while alleviating the IESO of its role in adequately and reasonably scoping information requests to support the establishment of reference levels. The market participant should not be required to provide information the IESO <i>may</i> require, only information the IESO actually and reasonably requires. More consideration needs to be given to how the Market Rules should scope the type of information reasonably required by the IESO to establish reference levels.</p> <p>22.1.4 should be revised to require the IESO's to make reference levels available to the market participant in accordance with the Market Rules, not the market manuals.</p> <p>22.2.2 - It is not clear why this amendment is required. If a market participant offers below its reference level, does it face any risk of being mitigated? Can the IESO provide additional detail on the purpose of this amendment?</p> <p>22.2.3 and 22.3.1.9 should be deleted. As drafted these proposed amendments would foreseeably cause unnecessary harm to the market, and they appear to be drafted so as to permit punitive actions against a market participant in retaliation for a legitimate, though protracted, dispute with the IESO. As addressed above, it is unreasonable for rules to force a market participant to provide any information the IESO <i>may</i> require, yet this section would permit the IESO to register a value of \$0 if the market participant disagrees with the scope of the IESO's information request. This drafting is inconsistent with the purpose of the market power mitigation design, particularly when one considers that the IESO has numerous other types of information it may consider when establishing default reference levels.</p> <p>22.5.2; 22.7.2 should be re-drafted to permit revisions under such circumstances following consultation and agreement with the market participant.</p>

Section / Topic	Feedback
	<p>22.8 - This section, taken with the rest of the proposed amendments could result in prejudice to the market participant. It permits the IESO, through delay (even if unintentional) to prevent/limit the market participant's participation in the market. If finalized, these amendments would permit the IESO to provide its preliminary view to the market participant in accordance with a timeline insufficient for the participant to review, respond, and request an independent review. The proposed amendments also place no obligation on the IESO to communicate a request to proposals to consultants in a timely manner, thereby risking further delay and harm to the participant and the market.</p> <p>The drafting of 22.8 is of serious and significant concern. It should be subjected to further consultation. In the event that this request for further consultation is denied, Capital Power is interested to understand why the IESO considers these amendments to be consistent with detailed design considerations and would result in unfairly prejudicing market participants.</p> <p>The market participant should not be charged the cost of the independent reviewer, since the market participant has no control over the managing the scope and work of the independent reviewer. It is understood and reasonable that the IESO wants to guard against the possibility that market participants will file unnecessary or frivolous requests for an independent review, but the cost must be appropriately and fairly balanced between the IESO and the market participant.</p> <p>22.9.1 - Could the IESO provide an example of persons or entities that own, directly or indirectly, whether through subsidiaries or otherwise, voting securities carrying more than 10% of the voting rights of the market participant where the market participant's parent company is a publicly listed (TSX or NYSE) company? Are the proposed amendments intended to capture shareholders in the publicly listed parent?</p> <p>22.10 – The definitions and methodologies used to calculate Broad Constrained Areas should be included in this section. All constrained areas, Potential, Broad and Narrow, should be published on, at minimum, an annual basis. The rules should specify the schedule/regularity with which constrained areas are published by the IESO.</p> <p>22.10.2.3 – Material configuration changes should be a defined term, as it is unclear what this means, and therefore what would trigger an update to the list of resources in a narrow constrained area.</p>

Section / Topic	Feedback
	22.13.1 – How does a market participant ensure that bona fide restrictions on operating conditions/capabilities are considered by the IESO when reviewing dispatch data? Does outage information override dispatch data? Or is dispatch data expected to reflect outage conditions/operating restrictions?

Market Rules – Chapter 3

What feedback do you have on the Chapter 3 draft market rule amendments?

Section / Topic	Feedback
2.5.1A.6	For reasons set out in comments relating to 22.8, and to ensure that disputes related to reference level discussions are resolved in a manner that does not prejudice the market participant, result in harm to competition, or distort the market, this section should be revised to facilitate the timely resolution of disputes between the market participant and the IESO. Is it the IESO's intent that 2.5.1A.6 only be used in the event (i) an independent review has been concluded, and (ii) the IESO has then registered reference level values for the participant that may or may not reflect the findings of the independent reviewer? If so, Capital Power recommends revising this section or the dispute resolution framework more broadly, to ensure the fair and timely resolution of disputes that facilitate ongoing participation in the market.

Market Rules – Chapter 11 Definitions

What feedback do you have on the new, modified, or deleted terms in Chapter 11?

Section / Topic	Feedback
Click or tap here to enter text.	No comments at this time.

Market Manual 14.1

What feedback do you have on draft Market Manual 14.1?

Section / Topic	Feedback
Click or tap here to enter text.	No comments at this time.

Market Manual 14.2

What feedback do you have on draft Market Manual 14.2?

Section / Topic	Feedback
Click or tap here to enter text.	No comments at this time.

Conforming Changes – Market Manual 1.3

What feedback do you have on the conforming changes to Market Manual 1.3?

Section / Topic	Feedback
Click or tap here to enter text.	No comments at this time.

Conforming Changes – Market Manual 1.5

What feedback do you have on the conforming changes to Market Manual 1.5?

Section / Topic	Feedback
Click or tap here to enter text.	No comments at this time.

General Comments/Feedback

Capital Power appreciates the opportunity to review and provide feedback to the IESO. These comments focus on proposed amendments to the Market Rules, though Capital Power will be pleased to provide additional comments on the manuals once a determination has been made with respect to the issues identified in these comments.