

Stakeholder Feedback and IESO Response

Interchange Schedule Code, MrNH– May 22, 2024 Webinar

Following the May 22, 2024 Interchange Schedule Code, MrNH engagement webinar, the IESO invited stakeholders to provide comments and feedback on the materials presented by June 5, 2024.

The presentation materials and stakeholder feedback submissions have been posted on the IESO stakeholder engagement webpage for this engagement.

The IESO appreciates the feedback received from stakeholders. Please reference the material for specific feedback as the below information provides excerpts and/or a summary only.

Formal written feedback was received from the following organizations:

- Manitoba Hydro
- Nexus Energy Inc.

Stakeholder Feedback	IESO Response
<p>Do you have any comments or feedback on issues with the MrNH code that have not been identified by the IESO?</p> <p>Stakeholders requested clarification on which jurisdictions use the practice of charging the IFC for lack of transmission or ramp.</p> <p>A stakeholder also questioned if the IESO has considered any differences in market performance/transaction failure rates between the jurisdictions that adopt the proposed approach and those that do not.</p>	<p>In other jurisdictions, the market participant is responsible for making both the bid/offer and the ramp/transmission happen. If transmission and ramp are not acquired by the participant, costs associated with this failure do not become a burden incurred by ratepayers as is currently the case in the IESO administered market. The IFC is a mechanism that mitigates these costs from being borne by ratepayers.</p> <p>As an example, NYISO applies Financial Impact Charges for external transactions (including imports, exports, and wheels) for failing to flow due to market participant actions. Failure to reserve applicable transmission services is considered a participant's fault, subject to FIC.</p>

	<p>The proposed change addresses an inefficiency and aims to reduce costs for Ontario ratepayers especially given the amplified impact anticipated after MRP. In conjunction with the new day-ahead market in MRP, there would be improved certainty of transactions (as mentioned below).</p>
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Stakeholder Feedback	IESO Response
<p>Do you have any comments or feedback on the proposed changes to the MrNH Code?</p> <p>A stakeholder commented on a trader’s failure to secure ramp and transmission occurs because the delay of a tag submission is to ensure that schedules are confirmed in the final (2nd) run so that expensive transmission is not purchased in circumstances where schedules are lost in the final run and ramp has an early expiry. While ramp can be booked beforehand, and transmission may be available when bids are first submitted, one or both could be unavailable closer to the tag submission</p> <p>They also state that they do not believe that failure to secure ramp and transmission in those circumstances can fairly be said to be within the control of the market participant.</p> <p>Stakeholders also noted that the result of this proposed changed will be to limit trading activity between Ontario and MISO.</p> <p>A stakeholder also noted that the IESO’s suggestion that participants acquire transmission service two hours ahead of dispatch, yet dispatch is not confirmed by the IESO, would result in participants having to purchase costly MISO transmission before the final schedule is known. This can make some offers economically unfeasible without knowing dispatch is certain.</p>	<p>With the implementation of a day-ahead market as part of the Market Renewal Program, the certainty for market participants will improve as they will receive a financially binding day-ahead schedule to import into or export out of Ontario. This lowers the risk to market participants who, today, must navigate the IESO markets in real-time only without the certainty of a financially binding position</p> <p>The IESO acknowledges that the proposed change may result in a decrease in real-time volume of import offers and export bids submitted into the market. However, the coding change will help ensure schedules reflect intertie transactions that have the highest certainty of flowing in real-time. The coding change aims to discourage the submission of transactions with less likelihood of flowing and likely to fail.</p> <p>There may be some circumstances that are outside of a market participant’s control and where that occurs, the IESO would encourage participants to submit a Notice of Disagreement (NOD) regarding such charge. The IESO would then evaluate the NOD considering the circumstances and totality of evidence provided by the market participant.</p>

Stakeholder Feedback	IESO Response
<p data-bbox="181 199 841 325">Do you have any comments or feedback on the proposed changes to the MrNH code that have not been considered by the IESO?</p> <p data-bbox="181 357 841 598">One stakeholder suggested that acquiring the IESO consider increased seam communication with MISO to validate the legitimacy of a transmission failure or not, by MISO providing a flag on whether next hour transmission was available on the interfaces with the IESO.</p> <p data-bbox="181 630 841 917">A stakeholder noted that MISO evaluates a new tag or adjust at the time they are submitted and approves or denies based on the conditions at that instant. They suggested that the IESO could evaluate whether a ramp denial is valid based on the timing of the adjust or tag submittal.</p>	<p data-bbox="841 199 1508 409">Thank you for your suggestion. In the event that MISO is able to provide this flag, the IESO could take it into account, along with the totality of evidence provided by market participants, in evaluating any submitted Notice of Disagreement.</p> <p data-bbox="841 472 1508 724">Thank you for your suggestion. When this occurs, the IESO recommends market participants submit this information as evidence in support of their Notice of Disagreement (NOD). The IESO would consider this as well as any other evidence provided in evaluating the NOD</p>