

Market Development Advisory Group (MDAG)

Meeting date: 02/04/2020
Meeting time: 9:00 a.m. – 2:00 p.m.
Meeting location: Via webinar

Chair/Sponsor: Dale Fitzgerald, Senior Advisor, Stakeholder Relations, IESO
Scribe:

Webinar Meeting Notes

Please report any corrections, additions or deletions by e-mail to engagement@ieso.ca

All meeting material is available on the [engagement webpage](#).

Attendees

Name	Company
Wray, Chris	Alectra Utilities
Anderson, Colin	AMPCO
Butters, David	APPrO
Palimaka, Alex	Bluewater Power
Giannetta, Brandy	CanWEA
Chee Aloy, Jason	Consortium of Renewable Generators
Clemenhausen, Barbara	Customized Energy Solutions
Griffiths, Sarah	Enel X
Anthofer, Jeff	Gerdau Long Steel North America

Name	Company
Belanger, Frederic	HQ Energy Marketing
Deweese, Donald	Market Surveillance Panel
Samant, Sushil	Northland Power Inc.
Coulbeck, Rob	Ontario Energy Association
Wizniak, Lynn	Ontario Power Generation
Pohlod, Michael	Peak Power
Viswanathan, Samira	Power Consumer
Leonard, Ted	Rodan Energy Solutions
Codd, Chris	TransAlta
Kuntz, Margaret	TC Energy
Xu, Jennifer	Bruce Power
Zhang, Alvin	Bruce Power
Churphongphun, Santi	Capital Power
Krzywicki, Rafal	Capital Power
Ng, Thomas	Capital Power
Luukkonen, Paul	Customized Energy Solutions
Withrow, David	Customized Energy Solutions
Kemp, Heather	Enbridge

Name	Company
Rangooni, Justin	Energy Storage Canada
Robitaille, Marc	Evolugen (Brookfield Renewable Canada)
Bordeleau, Patricia	MAG Energy Solutions
Veilleneuve, Alexandre	MAG Energy Solutions
Hehn, Ryan	Manitoba Hydro
Penner, Ryan	Manitoba Hydro
Goyal, Reena	McCarthy Tetrault LLP
Thompson, Mark	Ministry of Environment, Conservation & Parks
Zajmalowski, Mike	Northland Power Inc.
Briggs, Kara	NRG Energy
Cheung, Erica	Ontario Power Generation
Michael, Matthew	Ontario Power Generation
Ejebe, Gabriel	Open Access Technology International (OATI)
Khuhro, Salah	Open Access Technology International (OATI)
Rahimi, Farrokh	Open Access Technology International (OATI)
Norris, Paul	OWA

Name	Company
Simmons, Sarah	Power Advisory LLC
Beekhuis, Jordan	Rankin Construction
Laframboise, Philippe	Rubicon
Amaral, Utilia	Stem
Benedetti, Chris	Sussex Strategy Group
Conrad, Charles	TC Energy
Tsoukalis, John	The Brattle Group
Fitzgerald, Dale	IESO
Weir, Ben	IESO
Cowx, Christina	IESO
Cumming, Adam	IESO
Desai, Shilpan	IESO
He, Andy	IESO
Lui, Eric	IESO
Macpherson, Robin	IESO
Ng, Hok	IESO
Palmer, Nathan	IESO
Penic, Jordan	IESO

Name	Company
Shoukri, Dina	IESO
Umeike, Ekene	IESO
Versteeg, Peter	IESO
Zahid, Sarah	IESO
Zaworski, Richard	IESO

Agenda Item 1: Welcome and Introductions

Dale Fitzgerald, IESO, welcomed members and stakeholders to the webinar and reviewed the webinar participation steps for participants attending on the webcast and on the phone. He also recapped how IESO is adjusting their stakeholder engagement activities in response to COVID-19 by having all upcoming activities being conducted by webinar or teleconference and provided a brief overview of the upcoming stakeholder engagement framework which includes monthly or bi-monthly engagement days for Advisory Groups and individual Stakeholder Engagements.

Agenda Item 2: Update to MDAG Work Plan

Barbara Ellard, IESO, provided an update on how the IESO will continue work on the initiatives included in the MDAG Work Plan during COVID-19. Currently, projects are still ongoing, but with the IESO's focus on critical operations there could be impacts to project timelines. The Regulation Services Procurement that was presented at the last MDAG meeting, is currently being re-assessed and the IESO will provide updates on this project as they become available.

Agenda Item 3: Expanding Participation in Operating Reserve

Mark Hartland and Tyler Chuddy, IESO, provided stakeholders with an update on the EPOR-E scoping assessment. The update included an overview of the Scope of Work that had been posted for stakeholder comment, and an overview of the requirements and participation as per Phase 1 of the project. The Scope of Work outlines the three phases of the project (phase 1 - participation and requirements; phase 2 - exploration of options; phase 3 – evaluation of options), and expected timelines for the project. For the Phase 1 overview, the IESO provided detailed information and background on the current market participation requirements for the energy and operating reserve markets and any potential gaps with specific technologies that will be studied in Phase 2 of EPOR-E.

Several rules are set by NPCC and, therefore, the IESO is not in a position to change these as part of EPOR-E. There was also some discussion with stakeholders clarifying specific misalignments and areas of opportunity and willingness to work with the IESO to develop options in the next phase.

Agenda Item 4: Market Surveillance Panel (MSP) Reports and Status of Recommendations

Tom Chapman, IESO, provided an overview of the status of MSP recommendations that the IESO is currently working on. The presentation began with a quick overview of the relationship between the MSP and IESO and how the IESO receives and responds to recommendations. The IESO is currently working on 11 recommendations, which range across seven topics:

1. OR Accessibility
2. Dispatchable load and unwarranted congestion management settlement credits (CMSC)
3. Variable generator forecasting tool
4. Transmission rights clearing account (TRCA) disbursement
5. Transmission rights payments during outages
6. Intertie OR nodal price chasing
7. Demand Response fictitious demand

There are other MSP recommendations that are awaiting updates from MRP and resourcing availability. The MSP recommendations currently underway through MRP that will be discussed in the detailed design include:

1. Real-Time Generator Cost Guarantee Program
2. Intertie Failure Charge
3. Control Action Operating Reserve
4. Net Interchange Scheduling Limit
5. Constrained-On Export CMSC

Agenda Item 5: Transmission Rights Clearing Account

Jason Kwok, IESO, provided stakeholders with a presentation on the Transmission Rights Clearing Account (TRCA) Disbursement Methodology Review. This included providing stakeholders with an updated proposal on the TRCA disbursement methodology based on stakeholder feedback received.

Stakeholder feedback received since the January 21st meeting concentrated around the themes of effective date, financial impact, comparison with other jurisdictions, and the proposed methodology. In response to stakeholder feedback received, the IESO revised its proposal from allocating all TRCA surplus funds to loads, as recommended in the [Brattle Report](#), to allocating it to loads and exporter classes based on the proportion of transmission service charges paid, as [recommended by the Market Surveillance Panel](#). The IESO stated that the effective date for the change remains November 2020.

A stakeholder commented that TRs purchased with a term extending beyond November 2020 were purchased under the current rules, therefore the current rules should continue until the expiration of these TRs.

The IESO responded that it has considered this feedback and has already delayed its proposed effective date by six months from May 2020 to November 2020. In making this decision, the IESO is balancing the different perspectives of various stakeholders.

An MDAG member commended the IESO to coming to this solution and views that this proposal achieves the right balance in terms of timing and the method of disbursement.

A stakeholder asked whether the IESO given any thoughts on how the methodology would work under the single-schedule market? Also, will exporters receive a share of residuals from the internal transmission system?

The IESO responded that one of the objectives in the TRCA Review was to develop a methodology that would be applicable under today's two-schedule market and under the renewed single-schedule market design. The proposed methodology to allocate TRCA surplus funds based on proportion of transmission costs paid meets that objective. In the Single-Schedule Market High-Level Design, the IESO will distribute any residuals to Ontario consumers who pay for internal transmission costs.

A stakeholder/MDAG member asked whether the IESO considered APPrO's suggestion to distribute the TRCA surplus funds to Hydro One to be incorporated into their rate design?

The IESO is the appropriate authority to continue settling the TRCA account directly to market participants, similar to the other markets the IESO administers and settles. The IESO considered APPrO's suggestion to disburse the TRCA surplus funds to transmitters but, concluded that it would result in the same outcome as the IESO continuing to disburse the TRCA surplus funds to participants directly.

A stakeholder asked with respect to the proposed methodology, for step two of the methodology to allocate funds to individual load and exporter participants, does the IESO still use the look-back period or the balance period?

The IESO responded that for allocation within each class (to individual participants) the IESO will be using the six month look-back period. The balance period, which is shifted back by one month, is used to calculate the TRCA surplus balance and also the split between load and exporter classes.

Agenda Item 6: Transmission Rights (TR) Market Review

Tom Chapman and Tina Teng, IESO, provided stakeholders with an overview of the TR Market Review and solicited feedback on the proposed scope of work. Tom presented on the origins of TR markets in the US and how they contrast with the TR market in Ontario. Tom also outlined the drivers of the TR Market Review, which include trying to understand the value of the TR market, assessing inefficiencies with the TR market, and MRP driving changes and the potential effect on TR markets. Tina presented the proposed scope and timeline. The scope consists of three stages – value assessment to determine if TRs achieve their intended purpose, near term improvements to identify changes to the TR market, and long term improvements.

Agenda Item 7: Conclusion and Wrap-up

Dale Fitzgerald wrapped up the webinar by detailing the next steps and providing a summary of the requests for stakeholder feedback throughout all the presentations.

The IESO thanked all participants and adjourned the webinar.

Feedback and corrections on these meeting notes should be sent to engagement@ieso.ca.