

## Assessment of Impact of Market Rule Amendment on Consumers Re: Price, Reliability, Quality of Electricity Service

This form is used to document the *IESO's* assessment of the impact of a proposed *market rule amendment* on the interests of consumers with respect to prices and the *reliability* and quality of electricity service.

Terms and acronyms used in this Form that are italicized have the meanings ascribed thereto in Chapter 11 of the *Market Rules*.

### Part 1 – Market Rule Information

Identification No.: MR-00481-R00-R13

Title: Market Renewal Program: Final Alignment

Date of Assessment: September 18, 2024

### Part 2 – Assessment

The following is the *IESO's* assessment of the impact of the proposed *market rule amendment* on the interests of consumers with respect to price and the *reliability* and quality of electricity service.

#### **Impact on Price:**

The Market Renewal Program (MRP) is expected to deliver a more efficient, stable marketplace with competitive and transparent mechanisms that meet Ontario's electricity needs at the lowest cost possible.

The Final Alignment market rule amendments codify and implement the Market Renewal Program's (MRP's) design.

The following MRP design elements which are enabled through the Final Alignment market rule amendments will have a downward influence on the price of electricity and uplift costs:

- The introduction of a day-ahead market will incentivize more efficient participation from all resources, which will have a downward influence on the price of electricity;

**Impact on Price:**

- A single schedule market will reduce out-of-market payments overall (including the elimination of congestion management settlement credits), which will have a downward influence on uplift costs; and
- Enhanced real-time unit commitment will optimize the system and enable optimization across all hours of a dispatch day, resulting in a downward influence on guarantee costs (day-ahead and real-time generator offer guarantees), as well as more efficient dispatch of the market overall, resulting in a downward influence on market clearing prices.

**Impact on Reliability of Electricity Service:**

The Final Alignment market rule amendments, through a financially binding day-ahead market will improve participation in day-ahead scheduling, helping to ensure reliability while efficiently scheduling resources. The move away from the existing two-schedule market to a single schedule market with locational pricing, is expected to enhance reliability and increase operational certainty. In addition, enhanced real-time commitment and continuation of make-whole payments and guarantees will have a positive influence on the IESO's ability to maintain the reliability of electricity service.

**Impact on Quality of Electricity Service:**

The MRP Final Alignment market rule amendments should have no impact on the quality of electricity service.