

Memorandum

To: Stakeholder Advisory Committee

From: Jessica Savage, Program Delivery Executive
Candice Trickey, Director, MRP Readiness

Date: June 28, 2022

Re: IESO Business Update – Market Renewal Program Update

The following provides an update to the members of the Stakeholder Advisory Committee (SAC) on the Market Renewal Program.

Ontario benefits from a wholesale electricity market that has enabled reliable and cost-effective operation of the electricity system over the past 20 years. The value of the wholesale market will continue to grow as the electricity sector transforms over the next decade.

To realize this increasing value, the Market Renewal Program (MRP) has been designed to address existing inefficiencies and modernize the wholesale market enabling it to support the integration of an increasingly diverse and decentralized mix of resources. These changes will deliver significant ratepayer savings and ensure continued reliable operations as the system becomes more diversified and complex.

IESO has been working with vendors and participants to ensure MRP is positioned to deliver a refreshed set of market systems with the improvements that are now essential to support the transformation of Ontario's electricity system.

MRP Schedule

The work to refine and translate the design into the detailed system requirements and rules needed to finalize the delivery schedule for MRP is nearing completion. This includes delivering substantial enhancements to more than ten legacy IT systems that work together to ensure day-to-day reliability, integrity and cost-effectiveness of Ontario's electricity system and markets. As these detailed requirements became known and the associated development times for solutions were validated by vendors, the IESO identified that the projected schedule is no longer feasible. Given the highly integrated nature of the core design elements of MRP – single schedule market, day-ahead market, and enhanced real-

time unit commitment – and the advanced stage of development, reducing project scope now would result in additional delays. The overall business case for this project remains sound and so the IESO is working to compile the information necessary to more accurately build out an updated timeline.

IESO has notified stakeholders that there will be a delay to the projected November 2023 in-service date at recent engagement meetings and in interrogatory responses to IESO's 2022 revenue requirement submission to the OEB. We understand that stakeholders need the updated schedule to plan their efforts on this and other IESO initiatives. The IESO will share changes to the project schedule by the end of Q3. We are also planning a discussion on the revised schedule and how progress will be tracked, and validation of the business case at the next Stakeholder Advisory Committee meeting.

Market Rules and Market Manuals

Two of the six batches of market rules to support MRP have been provisionally recommended by the Technical Panel and significant progress has been made on the remaining batches. An Interim Alignment batch of market rules and manuals, to include the incorporation of storage in previous batches and other updates, will be published in September and the Settlements batch will be published in December.

The IESO has also been working with the Technical Panel to improve the process for reviewing and providing feedback on the MRP market rule amendments in response to feedback from the Panel members. In addition to changes to the number and timing of meetings on each batch, the IESO will also be providing examples and illustrative scenarios earlier in the process and providing a summary document to the Panel outlining stakeholder feedback and IESO responses on key discussion items.

Stakeholder Engagement

Beyond the ongoing discussions as a part of Engagement Days, and the continued discussions with stakeholders in various forms, the IESO is proposing to form an Implementation Working Group. The group will be used to provide advice on navigating implementation issues, participant readiness timelines in the project schedule, and other matters. More information will be posted shortly.

Testing, Training, and Market Participant Readiness

Following the advice from the MRP Technical Advisory Group, the IESO published a Market Participant Readiness Plan last December. To aid market participants in preparing for Market Renewal go-live, the IESO has prepared 13 "Day-In-The-Life" documents to cover various participant segments and provide them the forecast for some of the future training and testing activities they should plan to be involved with. This material will also help participants begin to plan for the business process changes that may be needed within their organization.

Next steps

As noted above, the IESO is planning a discussion on the project schedule at the next SAC meeting and will provide more information on an MRP focused stakeholder working group shortly.