

# Memorandum

**To:** Strategic Advisory Committee

**From:** Candice Trickey, Director Market Renewal Program Readiness

**Date:** October 2, 2024

**Re:** IESO Business Update – Market Renewal Program Implementation

The Market Renewal Program (MRP) continues to meet key milestones on schedule and is tracking to the approved budget. Highlights of progress since the June Strategic Advisory Committee update are provided below.

## **Market Rules and Manuals Engagement**

A significant milestone for MRP was achieved on September 10 when the Technical Panel voted unanimously to recommend the complete set of MRP market rules to the IESO Board for approval. These market rule amendments contain the full scope of changes required to implement MRP, developed with input from stakeholders across the sector over more than four years of active engagement. Recognizing the complexity and breadth of the changes MRP is introducing to the market rules and manuals, the IESO and Technical Panel held a number of additional discussions leading up and as part of this final vote and identified efforts that will need continued focus prior to and after the market launch, including the formation of a Market Power Mitigation (MPM) Working Group. As an advisory body to the IESO and the Technical Panel, the MPM working group will assist in identifying and recommending means to address any unintended outcomes of the market power mitigation framework that may arise. The IESO is proposing to solicit Technical Panel member feedback on the Market Power Mitigation Working Group composition and Terms of Reference at the Technical Panel meeting on October 15.

The IESO Board will consider the MRP market rules for approval at their October 18 meeting.

## **Market Participant Readiness**

With the completion of Connectivity Testing in May, Market Trials started in mid-July and will run until late October. This phase of testing allows market participants to use a sandbox environment to confirm that individual tools and interfaces are working as intended and that their systems can successfully interact with the IESO's applications.

Entities representing a range of participation types (i.e., generators, consumers, inertie traders) and sizes (including small, medium, and large organizations) have taken part in market testing. Most reported issues have been resolved, with the remainder under investigation.

The IESO is also preparing for End-to-End Testing which is planned for January and will provide an opportunity for market participants to confirm their ability to execute the business processes affected by MRP using the updated systems and applications. The IESO is working with the MRP Implementation Working Group to further define the scope of this testing and has incorporated feedback from the Technical Panel related to testing of the Market Power Mitigation framework during this test phase.

The second Participant Readiness Assessment Survey was completed in June by Market Participants that may be impacted by MRP. This series of surveys is designed to mitigate the risk of market participants being unprepared for changes to technology and market operations when MRP goes live. Results from the current survey provide updated insight into how participants are impacted by MRP and indicate good engagement, awareness and continued progress in assessing and accommodating required changes. Response rates for those with the largest impacts, such as generators and distributors, were highest. Almost 65% of respondents have now completed their assessment of how MRP will impact their organization, up from a third in the prior survey. Only 6% have yet to start, and 80% of respondents believe they are on track or slightly behind where they feel they should be with their overall preparations which is a significant increase from the last survey. Importantly, market participants have been taking advantage of the assistance available from the IESO, with 77% indicating they had received information and/or direct help from the MRP team. The next survey is scheduled for October 2024, after Market Trials. The MRP team continues to follow up with participants that have yet to start their preparations.

## **IT Solution Development and Testing**

System development milestones continue to be completed on time. Highlights since the last update include completion of Phases 1 and 2 of Market Trials; completion of solution development for market-facing reports; system integration and user acceptance testing for IESO operational and settlement tools; and the drafting of a plan for sequencing the transition to the new systems and processes over the launch period.

### **Next Steps**

Market Trials will end later in October. Any market participants who have not yet started testing are still encouraged to contact the IESO to begin prior to the end of the month. Defects and issues identified through Market Trials, if any remain, will be addressed as much as possible prior to the start of End-to-End Testing in January. Plans for End-to-End Testing will be discussed at a Stakeholder Engagement meeting in November.

As a key step in the launch of the renewed market, registration and authorization activities must be completed prior to go-live. Market participants will be able to access the updated registration system through the Online IESO application as of November 12 to verify or update new MRP registration and authorization data required for operating in the renewed market.