

Memorandum

To: Technical Panel

From: Jessica Tang

Date: February 11, 2022

Re: Market Power Mitigation – Stakeholder Feedback from APPrO

At the January 18, 2022 Technical Panel meeting, the Panel agreed to post the proposed market rule amendments for Market Power Mitigation (MR-00455-R00 and MR-00461-R01) for stakeholder review and comment for a period of two weeks, ending February 3. On February 4, the IESO received correspondence from APPrO requesting an extension to the comment period and sharing some of their concerns. The IESO spoke directly with APPrO and received permission to share APPrO's correspondence with the Technical Panel. This submission is posted for Technical Panel review. APPrO identified three areas of concern summarized as follows:

1. Participant effort required to support the determination of reference levels and reference quantities is significant where the value of, or reason for, the requested information is not always readily apparent.
2. A general concern about the IESO's proposed means for dealing with disputes with response to reference levels and information requests as they are being proposed within the market rules.
3. The stakeholder feedback period should be reopened for two more weeks following the February 15 Technical Panel meeting so stakeholder comments can be informed by the scenarios discussion.

IESO Response

With respect to the concern about the detailed information required to support the determination of reference levels and reference quantities, there is existing flexibility written in market manual 14.2 to enable a pragmatic approach to satisfying the informational requirements. For example:

- Section 2.3 allows flexibility for the IESO to work with market participants (MPs) to remedy gaps in documentation
- Section 3.2.1 provides scenario options where documentation is not required
- Section 6.4.1 allows the ability for MPs to request additional opportunity costs
- Section 7.1.7.1 gives flexibility for MPs to assign maintenance costs to the reference level of their choice

The IESO has committed to continue discussions with the impacted MPs outside of the Technical Panel process. If changes to the market manuals are warranted as those conversations progress, the IESO will continue to update and repost these changes.

Regarding the concern about disputes as it relates to reference levels and quantities, the IESO expects that greater clarity will be provided as part of the scenario discussion at the February 15, 2022 Technical Panel meeting.

Lastly, the IESO supports APPrO's request to reopen the stakeholder feedback period for two additional weeks following the February 15, 2022 Technical Panel meeting. The IESO agrees that the scenarios discussion would assist stakeholders in formulating any additional comments.

Next Steps

The IESO is recommending that the Technical Panel vote to post the Market Power Mitigation market rules amendments (MR-00455-R00 and MR-00461-R01) for stakeholder feedback for another two week period following the February 15 Technical Panel meeting. Comments would be due March 1, 2022.