

Memorandum

To: Technical Panel

From: Dan Alexandru

Date: April 19, 2022

Re: MR-00472-R00 –Replacement of the IESO Settlement System (RSS)

As part of the Replacement of Settlement System project, the IESO is making changes to its settlements system and processes with the following key objectives:

- Mitigate financial risk to the market by introducing a two-year limitation on the resettlement of a trade day
- Provide more clarity and transparency for market participants by introducing a recalculated settlement statement
- Make timelines more practical for submitting settlement data, disagreement notices and for resolving settlements disagreements
- Improve efficiency of settlements processing timelines

Additional information on the Replacement of Settlement System can be found on the Market Renewal – Stakeholder Engagement [webpage](#).

The IESO is proposing to make a series of updates and enhancements to the settlement disagreements and resettlements process. In order to implement the changes of the RSS, there are a series of proposed amendments. The following are the more significant changes:

Enhancement #1: Changes to Disagreement Channels

- Notice of Disagreements (Modified)
- Metering Errors Corrections (New)
- IESO System Errors (New)

Enhancement #2: Introduction of Recalculated Settlement Statements

- Periodic release of updated settlement statements, as required, over a two-year resettlement period from each trading day

Enhancement #3: Introduction of a Two-Year Limitation Period

- No resettlement of trading day beyond two years with certain exemptions for compliance activities and dispute resolution outcomes

All enhancements were further described in the February Technical Panel education presentation found [here](#). For additional information, the Settlement Disagreements and Resettlements [Design Document](#) is available on the Detailed Design Engagement webpage.

Stakeholder Feedback

The IESO held a series of stakeholder sessions to discuss the Replacement of IESO's Settlement System. Materials from these sessions including presentations and stakeholder feedback is available on the [Implementation Engagement webpage](#).

As part of the proposed enhancements, the IESO has received stakeholder engagement feedback from the Electrical Distributors Association and Ontario Power Generation. An IESO response to stakeholder comments is also available on the engagement webpage.

Panel Action and Next Steps

The IESO recommends that the Technical Panel vote to post the proposed market rule amendment MR-00472-R00 for stakeholder review and comment for a period of two weeks, ending on May 3, 2022.

Accompanying Materials

- Market Rule Amendment Proposal Form - MR-00472-R00
- Market Manual 2.1 – Dispute Resolution
- Market Manual 5.5 – Physical Markets Settlement Statements
- Market Manual 5.7 – Settlement Statement Process (NEW)
- Market Manual 5.8 – Settlement Invoicing (NEW)
- Market Manual 5.10 – Settlement Disagreements and Disputes

Dan Alexandru