

# Stakeholder Feedback and IESO Response

## Replacement of the IESO Settlement System, May 12, 2022

At the April 19, 2022 Technical Panel (TP) meeting, the TP voted to post proposed market rules on the Replacement of the IESO Settlement System (MR-00472-R00) for broader stakeholder review and comment. The IESO received written feedback submissions from:

- Ontario Power Generation

### Notes on Feedback Summary

The IESO appreciates the feedback. Changes to proposed market rules based on the stakeholder feedback are available on the Technical Panel [webpage](#). The IESO has provided a summary below for the feedback related to the implementation of the RSS project and asking for additional explanation on the new settlements disagreement and resettlements process.

Feedback	IESO Response
<p>Please clarify how the new RCSS process aligns with non-physical markets settlements. Provide summary financial market time lines.</p>	<p>The TR Auction (Financial Market) has two RCSS statements:</p> <ul style="list-style-type: none"> <li>• RCSS1 issued 20 business days after the issuance of the FSS</li> <li>• RCSSF issued 23 months after the trading day</li> </ul> <p>Please refer to section 6.3 of Chapter 9 of the proposed rule amendments.</p>
<p>Chapter 6A Appendix 6.3 section 1.4.3: OPG is still in the process of reviewing the <i>cost impact</i> and <i>process feasibility</i> of the increased frequency of testing required by this amendment. OPG will provide further feedback following this assessment.</p>	<p>This update is necessary to align with the 24-month limitation period.</p>
<p>Chapter 6 section 10.4.2 states that "<i>if a metered market participant becomes aware of an error...</i>" they must "<i>...provide notice to the IESO of such error within two business days</i>". Please clarify the intent of this requirement, and please clarify the applicable scenarios in Market Rules.</p>	<p>The intent is to notify the IESO within two business days of becoming aware of any metering errors as outlined in section 10.4.1 of Chapter 6 (e.g. when performing an IT spot check).</p>
<p>Please confirm that the new requirement has been stakeholdered with key participants like Meter Service Providers.</p>	<p>This provision was part of the IESO presentation to the Revenue Metering Standing Committee in December 2020.</p>
<p>OPG appreciates that the IESO is aware of the challenge of managing RSS and Market Renewal projects in parallel, and is considering release required document as early as possible. With respect to Market Renewal, the following documents are critical for MPs to receive in order to begin IT development tasks:</p> <ul style="list-style-type: none"> <li>• IESO Charge Types and Equations</li> <li>• IESO Format Specifications for Settlement Statement Files and Data Files</li> <li>• RCSS NOD-Dispute Flow and Scenarios</li> </ul> <p>Please clarify when the IESO expects to release the Market Settlements Market Rules and Manuals for Market Renewal, and whether these documents will include the changes contemplated under the RSS project (i.e., new <i>Charge Types, RCSS, new statement format</i>, etc.)</p>	<p>The IESO is committed to releasing the following documents RSS in June:</p> <ul style="list-style-type: none"> <li>• IESO Charge Types and Equations</li> <li>• IESO Format Specifications for Settlement Statement Files and Data Files</li> <li>• RCSS NOD-Dispute Flow and Scenarios</li> <li>• Settlement Statement Payment Calendar which reflects the publishing dates for the RCSS</li> </ul>

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<p>In the event that the Implementation Date of RSS (Nov 1st 2022) is postponed, please consider a revised implementation date no earlier than <b>Feb 1, 2023</b> as most MPs undergo a year-end system freeze period as well as other critical financial year-end processes.</p>	<p>The IESO notes the year end concerns of Market Participants with respect to IT changes and will consider them in the event of a schedule revision.</p>
<p>Please identify the regulations within the Electricity Act that have been amended to implement the new settlement limitation period. Please confirm at what stage of implementation the amendment to the Electricity Act sits, and when the IESO expects the amendment to come into force. Will the amendment be included in a batch of changes?</p>	<p>As part of the passing of Bill 13 - Schedule 9 amended the <i>Electricity Act, 1998</i> to add a new section 36.1.1 creating the framework for a two-year limitation period (or such other limitation period as may be prescribed) that applies to prescribed payments, adjustments and amounts settled by the IESO. Bill 13 received royal assent on December 2, 2021. Regulations under the <i>Electricity Act</i> are currently being amended by the Government to prescribe the amounts subject to the limitation period. The amended regulations will take effect in alignment with Market Rules.</p>
<p>The following questions are based on the IESO-provided document "NOD-Dispute Flow and Scenarios".</p>	
<p>Please confirm the following:  The RCSS process flow will not require Market Participants to file multiple NoDs for the same statement issue.</p>	<p>Confirmed, only one NoD should be used to track the resolution of an issue.</p>
<p>A NoD on a PSS/FSS/RCSS can be kept open for investigation up to 23 months (if the MP does not agree with any statements issued), and will only be closed before that if either the MP agrees to the solution or the issue is escalated to Dispute process.</p>	<p>That's correct, although NoDs are expected to be resolved much sooner.</p>
<p>Regarding the box labelled "<b>Recalculated Settlement Statement (RCSS 1-6 – Optional)</b>": Please clarify that RCSS statements are monthly and could include transactions for any trade days in the same month within the RCSS schedule, e.g. RCSS1 is for month M-2.</p>	<p>All settlement statements produced by the system (whether PSS/FSS/RCSS) will be per trading day.</p>

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Please confirm that RCSS statements are not issued by Trade Date like PSS and FSS.	
Please confirm that the section under "Contents" should read " <i>Settlement amounts from previous RCSS statements are copied...</i> " Please confirm that RCSS statements will not copy information from PSS and/or FSS.	Any RCSS for a given trading day will contain information from all previous settlement statements for that trading day including PSS and FSS.
Please clarify that RCSS statements are <b>optional</b> . That is, please confirm that once an MP has agreed with a NoD decision or escalated to the Dispute process by <i>RCSS_N</i> , no further <i>RCSS_{N+1}</i> nor <i>RCSS_Final</i> statement is required.	No further settlement statements will be needed for that particular NoD. However, RCSS statements can be triggered by other reasons; such as the resolution of another participant's NoD, the resolution of a system error, etc.
With respect to the "NOD" box to the right of RCSS 1-6 box, please clarify which statements are referred to by "earlier <i>settlement statements</i> ".	It applies to any previous settlement statements related to that trading day including PSS and FSS.
Regarding the box labelled " <b>Final Recalculated Settlement Statement (RCSSF)</b> ": Please confirm that the section under "Contents" should read " <i>Settlement amounts from previous RCSS statements are copied</i> " That is, please confirm that the RCSS statement will not copy information from the PSS and/or FSS.	It will include information from every previous settlement statement related to the trading day.
Please clarify whether the <b>RCSSF</b> statement is <b>optional or mandatory</b> . If a NoD decision is agreed or escalated to the Dispute process by <i>RCSS_N</i> , will an <i>RCSSF</i> be issued? For example, if the issue has been resolved and agreed in RCSS2, should participants expect an RCSS3, ..., RCSS6, or RCSSF?	RCSS 1-6 will only be issued if there is a change from a previously issued settlement statement for the trading day. However, MPs will have the option to receive RCSS 1-6 even when there is no change from the previous settlement statement for the trading day. RCSSF will always be issued for every trading day similar to PSS and FSS.