

Memorandum



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To: **MARKETS COMMITTEE**

Presenter: Michael Lyle, Vice President, Legal Resources and Corporate Governance
Chair, IESO Technical Panel

Date: March 7, 2024

Re: Transmission Rights Market Enhancement and Platform Refresh (Market Rule Amendment MR-00479-R00)

Purpose of Item: Recommendation for Approval to the IESO Board of Directors

Executive Summary:

The IESO is seeking a decision from the IESO Board on proposed market rule amendments that will improve the efficiency and functionality of the IESO Transmission Rights Market (MR-00479-R00). The Technical Panel unanimously recommended this proposal to the IESO Board for consideration.

Significant Issues, Risks and Opportunities:

The IESO is proposing market rule amendments that will enhance the Transmission Rights Market by introducing multiple bid laminations. These enhancements will improve flexibility for market participants and will encourage more competitive bidding.

In addition, this initiative will upgrade the Transmission Rights Auction platform to improve security and functionality for market participants by aligning it with current IESO software.

Background:

The project was initiated to address the aging Transmission Rights Auction application that had been in place since shortly after market opening, and to introduce auction design enhancements that had been requested by stakeholders. The IESO engaged with stakeholders to discuss the proposed changes listed above. Materials from these sessions including presentations and stakeholder feedback are available on the [Transmission Rights Market Enhancement and Platform Refresh webpage](#).

At the January 16th, 2024 Technical Panel meeting, the Technical Panel voted to post the proposed market rule amendment for stakeholder comment. The amendment was published following the Technical Panel meeting. No stakeholder feedback was received.

Proposal and Analysis

The IESO is proposing market rule amendments to support the implementation of the Transmission Rights Market Enhancement and Platform Refresh project. The project will introduce enhancements that will allow market participants to submit transmission rights bids with up to 20 bid laminations. Market participants will have the ability to submit bid laminations with different price sensitivities. The intent of these proposed market rule amendments is to clarify the auction design and update bidding lamination requirements.

Next Steps / Implementation:

I recommend that the Markets Committee recommend that the IESO Board accept the unanimous vote and recommendation of the Technical Panel to approve market rule amendment MR-00479-R00 with an effective date to be determined by the IESO Board once the IESO has confirmed the Transmission Rights Auction platform has passed the relevant user acceptance testing and is ready to deploy. It is recommended that the IESO not seek IESO Board approval until such time as the Transmission Rights Auction platform has passed the relevant user acceptance testing and is ready to deploy. The effective date is anticipated to be June 26, 2024.

Requested Committee Resolution:

The Committee is asked to pass the following resolution:

CONCERNING MR-00479-R00: Transmission Rights Market Enhancement and Platform Refresh, which is a market rule amendment to change market rules related to the IESO Transmission Rights Market.

WHEREAS the IESO is proposing to amend the market rules to improve the Transmission Rights Market.

WHEREAS the IESO is proposing to amend the market rules to increase functionality within the Transmission Rights Auction platform for market participants.

WHEREAS the IESO engaged with the Technical Panel and incorporated their suggestions into the proposed market rule amendment.

WHEREAS the Technical Panel voted unanimously to recommend MR-00479-R00 for approval by the IESO Board.

NOW THEREFORE BE IT RESOLVED THAT the Markets Committee recommends that the IESO Board accept the vote and recommendation from the Technical Panel and approve MR-00479-R00: Transmission Rights Market Enhancement and Platform Refresh to come into effect on a date determined by the IESO Board.

Michael Lyle

Cc: IESO Records

Encls.

- ii. Market Rule Amendment Proposal form
- iii. Memo to Technical Panel from IESO staff
- iv. Technical Panel member rationale
- v. Consumer Impact Assessment
- vi. Summary of Stakeholder and Technical Panel comments
- vii. Board Resolution
- viii. Board Reasons