

## Assessment of Impact of Market Rule Amendment on Consumers Re: Price, Reliability, Quality of Electricity Service

This form is used to document the *IESO's* assessment of the impact of a proposed *market rule amendment* on the interests of consumers with respect to prices and the *reliability* and quality of electricity service.

Terms and acronyms used in this Form that are italicized have the meanings ascribed thereto in Chapter 11 of the *Market Rules*.

### Part 1 – Market Rule Information

Identification No.: MR-00454-R00-R03, MR-00461-R05, MR-00458-R00, MR-00459-R00, MR-00460-R00

Title: Market Renewal Program: Market & System Operations and Calculation Engines

Date of Assessment: May 14, 2024

### Part 2 – Assessment

The following is the *IESO's* assessment of the impact of the proposed *market rule amendment* on the interests of consumers with respect to price and the *reliability* and quality of electricity service.

#### **Impact on Price:**

The Market Renewal Program (MRP) is expected to deliver a more efficient, stable marketplace with competitive and transparent mechanisms that meet Ontario's electricity needs at the lowest cost possible.

The Market & System Operations and Calculation Engine market rule amendments codify the Market Renewal Program's (MRP's) market & system operations framework and calculation engine designs.

The following MRP design elements which are enabled through the Market & System Operations and Calculation Engine market rule amendments will have a downward influence on the price of electricity and uplift costs:

- The introduction of a day-ahead market will incentivize more efficient participation from all resources, which will have a downward influence on the price of electricity;
- A single schedule market will reduce out-of-market payments overall (including the elimination of congestion management settlement credits), which will have a downward influence on uplift costs; and
- Enhanced real-time unit commitment will optimize the system and enable optimization across all hours of a dispatch day, resulting in a downward influence on guarantee costs (day-ahead and real-time generator offer guarantees), as well as more efficient dispatch of the market overall, resulting in a downward influence on market clearing prices.

#### **Impact on Reliability of Electricity Service:**

The Market & System Operations and Calculation Engine market rule amendments, through a financially binding day-ahead market will improve participation in day-ahead scheduling, helping to ensure reliability while efficiently scheduling resources. In addition, enhanced real-time commitment and continuation of make-whole payments and guarantees will have a positive influence on the IESO's ability to maintain the reliability of electricity service.

#### **Impact on Quality of Electricity Service:**

The Market & System Operations and Calculation Engine market rule amendments should have no impact on the quality of electricity service.