

Reasons of the IESO Board in respect of amendments to the market rules

Terms and acronyms used herein that are italicized have the meanings ascribed thereto in Chapter 11 of the *market rules*.

The following sets out the *IESO Board's* reasons for its decision on the proposed *amendments* to the *market rules* identified in Part 1 below (the "**Amendments**").

PART 1 – MARKET RULE INFORMATION

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

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

The *IESO Board* convened to consider the Amendments on the date and location set out in Part 2 below.

PART 2 – BOARD MEETING INFORMATION

Date: June 7, 2024

Location: 1600-120 Adelaide Street West, Toronto ON

Prior to considering the Amendments, the Chair of the *IESO Board* enquired whether any director of the *IESO Board* had a conflict of interest to declare, the result of which is set out in Part 3 below.

PART 3 – CONFLICTS OF INTEREST

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| <input checked="" type="checkbox"/> No conflict was declared. |
| <input type="checkbox"/> Any director declaring a conflict of interest abstained from voting on the provisional adoption of the Amendments. |

The *IESO Board* was presented with the materials in respect of the Amendments identified in Part 4 below (the "**Materials**"), all of which is *published* on the *IESO's website* subject to such redactions as *IESO* staff determined reasonably necessary.

PART 4 – MATERIALS

- Memorandum from the *Technical Panel* Chair
- *Market Rule* Amendment Proposals as provisionally recommended by *Technical Panel*
- *IESO* Staff memo to the *Technical Panel*
- Draft Resolution
- *Technical Panel* member vote and rationale
- Consumer Impact Assessment (this assessment is required to support the *Ontario Energy Board market rule* amendments review process)
- *Technical Panel* and Stakeholder Comments (this assessment is required to support the *Ontario Energy Board market rule* amendments review process)

Having considered the Amendments and the Materials, the *IESO Board* decided as identified in Part 5 for the reasons set out in Part 6.

PART 5 – DECISION

- The *IESO Board* decided in favour of the provisional adoption of the Amendments.
- The *IESO Board* referred the Amendments back to the *Technical Panel* for further consideration and vote.
- The *IESO Board* decided against the provisional adoption of the Amendments.

PART 6 – REASONS

The *IESO Board* has been provided the Materials including the *Technical Panel* unanimous vote to recommend MR-00454-R00-R03, MR-00461-R05, MR-00458-R00, MR-00459-R00 and MR-00460-R00 for provisional approval by the *IESO Board*. The Markets Committee of the *IESO Board* discussed the Amendments and subsequently recommended them for provisional adoption at the June 7, 2024, *IESO Board* meeting.

The *IESO Board* decided to provisionally adopt the Amendments recommended by the *Technical Panel*.

The *IESO Board* provisionally adopted the Amendments for the following reasons:

1. the Amendments, as part of the broader Market Renewal Program (MRP), are intended to increase the efficiency of Ontario's electricity markets;
2. the *IESO* has engaged extensively with stakeholders concerning the proposals as further detailed in the Memorandum from the *Technical Panel* Chair in the Materials;
3. the *Technical Panel* reviewed the Amendments and unanimously recommended they be provisionally approved;
4. the *IESO's* management recommended that the *IESO Board* accept the unanimous recommendation of the *Technical Panel* to provisionally approve the Amendments;
5. the Amendments will enable the Market and System Operations framework and Calculation Engine designs for MRP;
6. the Calculation Engine Amendments were independently assessed to confirm that the implementation of the new engines are compliant with the amended market rules.

Formal adoption of the Amendments is reserved pending presentation of a full set of *Market Rule* amendments for the Market Renewal Program, and the *IESO Board's* receipt of formal recommendations from the *Technical Panel* and the Markets Committee of the *IESO Board*.