

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-00481-R00-R13

Title: Market Renewal Program: Final Alignment
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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: October 18, 2024

Location: 120 Adelaide Street West, Toronto ON
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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

<input checked="" type="checkbox"/> No conflict was declared.

<input type="checkbox"/> Any director declaring a conflict of interest abstained from voting on the 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

- Presentation
- Appendix A – Market Renewal Program: Summary of Market Rule Amendment Batches
- Memorandum from the *Technical Panel* Chair
- *Market Rule* Amendment Proposals as recommended by *Technical Panel*
- *IESO* Staff memo to the *Technical Panel*
- Draft Resolution
- *Technical Panel* member vote and rationale (Appendix to Memorandum)
- 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 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 adoption of the Amendments.

PART 6 – REASONS

The *IESO Board* reviewed the Materials including the *Technical Panel* unanimous vote to recommend MR-00481-R00-R13 for approval by the *IESO Board*. The Markets Committee of the *IESO Board* discussed the Amendments and subsequently recommended them for adoption at the October 18, 2024, *IESO Board* meeting.

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

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

1. the Amendments, as part of the Market Renewal Program (MRP), are intended to increase the efficiency of Ontario's electricity markets and reduce system costs paid for by consumers;
2. the *IESO* has engaged extensively with stakeholders concerning the Amendments as further detailed in the Memorandum from the *Technical Panel* Chair in the materials;
3. the *Technical Panel* reviewed the Amendments and unanimously recommended that they be approved;
4. the *IESO's* management recommended that the *IESO Board* accept the unanimous recommendation of the *Technical Panel* to approve the Amendments;
5. the Amendments will enable the implementation of the MRP framework;
6. the Calculation Engine Amendments were independently assessed to confirm that the implementation of the new engines are compliant with the amended *market rules*;
7. the *IESO* has committed to continue working with the Electricity Distributors Association (EDA) and Ontario Energy Board (OEB) to assist Local Distribution Companies (LDCs) in their preparation for MRP go-live;
8. the *IESO* has committed to establish and work with the Market Power Mitigation (MPM) Working Group in identifying unintended outcomes of the MPM framework and recommending means to address such unintended outcomes;
9. for MPM, the *IESO* has also committed to further delay designation of constrained areas, enhance end-to-end testing, and apply discretion to not issue ex-post mitigation assessments if warranted; and
10. the *IESO* will continue to assess the need for any additional amendments to *market rules* or *market manuals* and will obtain stakeholder feedback as required in advance of MRP go-live.