



**APRIL 15, 2025**

# Market Renewal Program – Update on Required Urgent Rule Amendments

**Stephen Nusbaum** – Director, MRP Implementation

**James Hunter** – Senior Counsel Legal Group Lead

# Update on Required Urgent Rule Amendments

## Summary:

- Two market rule errors relating to settlements were identified during end-to-end testing which require prompt correction
- In both instances the intended design was correctly implemented in the IESO's settlement tools; however, the market rules are misaligned
- Implementing the market rule errors as written would result in incorrect outcomes and would be inconsistent with how market participants and the IESO have developed systems based on the stakeholdered design

# Day-Ahead Market Balancing Credit

Issue #1 – Error in the Day-Ahead Market (DAM) Balancing Credit (MR Ch.9 s.3.3):

- Market participants participating with a boundary entity resource or generator offer guarantee eligible resource should receive the DAM Balancing Credit when they are dispatched below their day-ahead schedule by the IESO in order to maintain the reliability of the grid
- The DAM balancing credit market rules incorrectly make reference to the “**real-time market** locational marginal price” in a section in which should have made reference to the “**day-ahead market** locational marginal price”
- As originally written, the market rules would cause an incorrect calculation of the balancing credit

# Real-Time Market Whole Payment

## Issue #2 – Error in the Real-Time Make Whole Payment (RT MWP):

- RT MWPs provide compensation when a resource deviates from its economic operating point in response to dispatch instructions or when the resource is scheduled uneconomically due to differences between the scheduling and pricing pass
- Resources that are eligible for RT MWPs may be able to recover lost cost and lost opportunity cost for energy and operating reserve (OR)
- The RT MWP market rules incorrectly refer to an amount “less than” when they should prescribe an amount that is “greater than” in a provision referring to threshold eligibility
- Applying this market rule error as written would lead to incorrect outcomes whereby MPs become eligible for OR opportunity costs when they shouldn’t be, and conversely ineligible for OR opportunity costs when they should be

## Next Steps

- IESO to prepare urgent market rule amendments to correct these two errors, in order “to avoid, reduce the risk of, or mitigate the effects of an unintended adverse effect of a market rule”
- The IESO will be proposing the urgent market rule amendments to the IESO Board for approval in a special Board meeting in April with the intent of bringing the amendments into effect before May 1<sup>st</sup> go live

# Thank You

[ieso.ca](http://ieso.ca)

1.888.448.7777

[customer.relations@ieso.ca](mailto:customer.relations@ieso.ca)

[engagement@ieso.ca](mailto:engagement@ieso.ca)



[@IESO Tweets](https://twitter.com/IESO)



[facebook.com/OntarioIESO](https://facebook.com/OntarioIESO)



[linkedin.com/company/IESO](https://linkedin.com/company/IESO)