

IESO Identified Issues with Proposed Design

1. Congestion Rents for Transmission Rights Market
 - a. Ontario TR market is a real-time market. Intertie congestion rents collected from intertie transactions in real-time fund, in part, TR market payouts. If linked wheels are settled on basis of pre-dispatch constrained prices, what is the impact on TR market funding?
2. Potential Unintended Adverse Outcomes
 - a. With only linked wheels settled on basis of pre-dispatch constrained prices and all other intertie transactions settled on basis of real-time unconstrained prices, are there any potential unintended adverse outcomes or incentives created for imports, exports or linked wheels?
3. Changes from Pre-Dispatch to Real-Time
 - a. If there are significant changes in congestion (internal or intertie) from the hour-ahead pre-dispatch to real-time, is it 'fair' that imports and exports may be subject to additional cost risk but linked wheels are not?
 - b. Under the proposal, a linked wheel would be paying for internal congestion and transmission losses through the difference in intertie zonal prices determined in pre-dispatch constrained schedule. Everyone else pays for real-time congestion and transmission losses. What are the implications of this different treatment?