

<u>IESO Administered Market Settlement</u>	<u>Non IESO Administered Market Settlement</u>	<u>Ministry Funded</u>
At the heart of the IESO settlements systems is the meter data management system. The revenue meter data collected daily from the 4500 meters around Ontario undergo a validation, editing, and estimating process before it can be used for settlement.	The IESO settlement systems, processes and procedures are leveraged for the settlement of various government and/or regulatory programs and initiatives. These programs include Global Adjustment (GA), Demand Response 2 (DR2), Demand Response 3 (DR3), Capacity Based Demand Response, Capacity Obligations (also known as Demand Response Auction), Contracted, LDC Fit/MicroFit, and Conservation.	The IESO also acts as a settlement agent for various government and/or regulatory programs and initiatives. Amongst these programs are Rural or Remote electricity Rate Protection (RRRP), Ontario Rebate for Electricity Consumer (OREC), Ontario Electricity Support Program (OESP), Distribution Rate Protection (DRP), First Nation Delivery Credit (FNDC), Debt Retirement Charge (DRC), Northern Industrial Electricity Rate Program (NIERP) and Ontario Fair Hydro Plan (OFHP).
The IESO uses the meter data and intertie schedules to determine revenue owed to suppliers and costs to consumers, as well as associated charges based on MWh. Most charges are calculated by our Commercial Reconciliation System with some calculated by Settlement tools that are built and operated following IT standards for risk and control as both are subject to the biennial Settlement Audit.	Some of the data used to derive settlement for these programs is directly acquired by the IESO and is subject to IESO validation, editing, estimation and auditing procedures. The other part of the data required to settle is provided by the local distribution companies. As the IESO evolves through Market Renewal, some of these government/regulatory initiatives will become part of the IESO Administered Markets. For instance, demand response auction will evolve into an Incremental Capacity Auction and eventual into a Capacity Auction.	Data required to settle these programs is provided by the local distribution companies and is subject to audit by the Ontario Energy Board. The IESO, by license, does not have any responsibilities for accuracy, or completeness of these submissions. The IESO does have authority to set the timing and details of submissions. We often work with the Ministries and OEB to set out the reporting requirements and accordingly gather the data.
Charges are 5- minutes, hourly, daily or monthly and described in detail in the IESO's web posted Charge Types and Equation document - the document provides formulas and variable definitions.	Charges are all monthly and included in the Charges Types and Equations document.	Charges are all monthly and included in the Charges Types and Equations document.
In 2017, the IESO settled \$XXB : • \$2.3B in energy charges, • \$99M in CMSC • \$72M in operating reserve charges • \$74M in ancillary service charges • \$167M in IESO fee • \$46M in demand response • \$XXXM in Other • \$1.5B in transmission charges.	In 2017, the IESO settled \$XXB : • \$11.8B in Global Adjustment • OEFC NUGs \$XXXM • OPG Prescribed Assets \$XXXB • Bruce \$XXXB • IEI \$XXXM • LDC Fit/MicroFit \$XXXB • Conservation \$XXXM	In 2017, the IESO settled • \$154M in RRRP • \$50M in OESP • \$121M in DRC • \$111M in NIERP

Commented [BY2]: Where had you obtained all these numbers for 2016?

Commented [BY1]: What had you included in "Other?"



The entire settlement process is governed under the market rules, market manuals and is subject to stakeholder review for the implementation of any changes. However, settlement mandated by legislation and regulation goes beyond the timing limitations of the market rules in terms of possible re-settlement as the details of this settlement are not contained within our market rules.

