

IESO Administered Markets Settlement	Non IESO Administered Market Settlement	Ministry Funded
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 to achieve a low carbon future and promote a culture of conservation. It is possible through evolution that government initiatives become part of the IESO Administered Markets governed by market rules. A good example would be These programs include Global Adjustment (GA), Demand Response 2 (DR2), Demand Response 3 (DR3), Capacity Based Demand Response, Capacity Obligations (also known as where contract replacement has moved to the IESO's competitive Demand Response Auction which is managed by Market Rules and Market Manuals and no longer through regulation. We expect similar outcomes through the Market Renewal Program. For example the incremental capacity market may eventually see offers from facilities that are no longer contracted through the low carbon future initiatives, Contracted, LDC Fit/MicroFit, and Conservation.	The IESO also acts as a settlement agent for various government and/or regulatory programs and initiatives to reduce the cost of energy to specified consumers. 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.	Often 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 or program participants. 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 mostly 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,	In 2017, the IESO settled \$11.8XXB: \$11.8B in Global Adjustment	In 2017, the IESO settled \$436M: \$154M in RRRP

Commented [B31]: Do we care that this excludes the TR auction?

Commented [B34]: Remember NEIRP is ministry supplied and we have two participants directly connected in for OREC and OFHPA

Commented [B32]: Conservation is supplied by the participants

Commented [B33]: I moved this up

Commented [BY7]: Where had you obtained all these numbers for 2016?

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• \$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.	• OEFC NUGs \$XXXM • OPG Prescribed Assets \$XXXB • Bruce \$XXXB • IEI \$XXXM • LDC Fit/MicroFit \$XXXB • Conservation \$XXXM	• \$50M in OESP • \$121M in DRC • \$111M in NIERP
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Commented [BY5]: What had you included in "Other?"

Commented [BJ6]: This was the plug to ensure the total added to the bottom line – it represented all the offset CTs and the small CTs that would not be recognized.

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, Government initiative 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.

