

ROBERT DODDS  
ACTING CHAIR | PRÉSIDENT PAR INTÉRIM

**BY EMAIL**

December 13, 2019

Mr. Peter Gregg  
President and Chief Executive Officer  
Independent Electricity System Operator  
120 Adelaide Street West, Suite 1600  
Toronto, ON M5H 1T1

Dear Mr. Gregg,

**Re: Market Surveillance Panel Monitoring Report**

I make reference to my letter dated November 1, 2019 enclosing a copy of the Market Surveillance Panel's (MSP) *Monitoring Report on the IESO-administered Electricity Markets* for the period from May 2017 to October 2017 (Report).

As you know, the Report was not posted on the Ontario Energy Board's website pending discussions between the MSP and the Independent Electricity System Operator (IESO) in relation to the methodology used by the MSP to simulate the market price and uplift impact of the unintended consequence of the modelling of distribution-connected demand response resources that is discussed in Chapter 3 of the Report. As a consequence, in early December I extended the deadline for receiving the IESO's response to the Report to December 13, 2019.

The MSP has now delivered to me a revised version of the Report (Revised Report), which I attach for your reference, and I have accepted the MSP's withdrawal of the Report.

The Revised Report includes the same recommendations addressed to the IESO as were set out in the Report; namely:

- A recommendation to consider ways and means of deterring Intertie Operating Reserve nodal price chasing
- A recommendation asking the IESO to ensure that, when it administers Transmission Rights, its procedure for determining an outage aligns with the market rules
- A two-part recommendation designed to minimize errors or unintended consequences associated with changes to the market, and to enhance

transparency when errors or unintended consequences significantly impact the market

I would appreciate if you would advise me in writing within 30 days of: (a) the steps that the IESO plans to take in response to the recommendations in the Revised Report and the timelines for completion of those steps; and (b) whether, in the IESO's view, any actions or market rule amendments should be taken or initiated in addition to those reflected in the MSP's recommendations.

Please do not hesitate to contact me should you have any questions or wish to discuss the above.

Yours truly,

*Original signed by*

Robert Dodds  
Acting Chair and Vice Chair  
Ontario Energy Board

cc: Glenn Leslie, Chair, Market Surveillance Panel

Att.

