

**Minutes of the Retail Settlements Code Development Task Force
Meeting of May 04, 1999**

1. Meeting was called to order by Chair Richard Crouch at 09:05.
2. Paula Conboy stated that the final copy of the minutes to the meeting of April 27th will be sent out this week.
3. Greg Hine gave a presentation on IMO Wholesale Markets. The following questions and points of clarification were raised by members of the committee during the presentation:
 - @ A question was asked as to when the final form of the IMO fees will be known. Greg stated that they are still under review. **(Action: IMO)**
 - @ The fee structure being considered (from the MDC) is a registration fee and an accreditation fee (which might possibly be payable annually). The fee structure will be submitted to the Board for approval.
 - @ IMO needs to apply for authorization for charges 60 days prior to implementation. No date as yet. **(Action: IMO)**
 - @ Fees based upon MWh will be assigned hourly.
 - @ Every LDC will be required to provide various load forecasts to the IMO.
 - @ The clarification of IMO tariffs and forecast requirements will be followed up by the OEB. **(Action: OEB)**
 - @ It is unclear at this point whether LDCs will be held responsible for forecast accuracy. A discussion around the usefulness of forecasts ensued. The committee agreed that accountability for the accuracy of such forecasts was important to ensure compliance.
 - @ Some further work on various details in the market rules is required. **(Action: IMO)**
 - @ Greg clarified the make-up of the Real Time and Physical Markets.
 - @ The IMO will define the optimum "pool" mix between energy, operating reserves, and capacity reserves. Dispatchable and non-dispatchable loads will also play a part in the pool mix.
 - @ Greg briefly explained the operation of physical bilateral contracts.

- @ There was some discussion as to whether LDCs would be provided transmission rights. The extent to which LDCs will be involved in these markets is still unclear.
- @ The definition of "spot price" is unclear.
- The IMO shall determine the uniform market prices for energy and publish market prices for energy according to the following schedule:
 - provisional market prices for each dispatch interval, with five minutes after the end of that dispatch interval, based on system data that may not at that time meet revenue quality standards
 - preliminary market prices for each dispatch interval and for each dispatch hour of each dispatch day, within two days after the end of such dispatch day. Such preliminary market prices shall be based on preliminary metering data that may not yet be fully processed by the VEE process;
 - final market prices for each dispatch interval and for each dispatch hour of each dispatch day, within six days after the end of such dispatch day. Such final market prices shall be based on metering data that has been fully processed by the VEE process..
- All wholesale market meters should be capable of 5-minute interval reads.
 - @ The IMO has no specifics regarding the supply of "Green Power" at this time. **(Action: IMO)**
 - @ A discussion concerning "non-metered" market participants took place. The concept is still fuzzy, but there may be a place in the market rules for such an entity.
 - @ More work is required on the specifics and installation of Wholesale Revenue Quality meters at all connection points. **(Action: IMO)**
 - @ A discussion took place regarding the precise definition of Distribution vs. Transmission and the application of distribution charges was raised specifically when embedded wholesale customers are involved. The IMO should produce specifics on this issue in due course. **(Action: IMO)**
 - @ The question of a timetable for the registration of wholesale meters with the IMO was raised. Timetable will be forthcoming. **(Action: IMO)**
 - @ Questions were raised regarding the metering of LDCs and ownership of wholesale meters. More clarification from the IMO is required. **(Action: Board clarification)**

- @ IMO fees for forward market participants are not defined. **(Action: IMO)**
 - @ Several questions/concerns regarding the timeline for real time markets were raised:
 - < LDCs should be cautious regarding the validity of preliminary statements.
 - < The definition of an "Ontario Market Price" for energy was questioned.
 - < Concern was raised regarding the make-up and validity of the final settlement statement issued 20 days after each trade day and the reason for the complexity of the wholesale settlement process.
 - @ Members agreed that a definition of a "Registered Facility" was required.
 - @ A discussion around "uplift" charges took place. There is concern over the accountability of hourly uplift charges.
 - @ Questions regarding locational pricing and the Rural Rate Protection were raised. More clarification from the Board is required. **(Action: Board)**
 - @ The basis of non-hourly uplift prices was questioned.
 - @ Distribution Loss Factors will be created by LDCs and approved by the OEB. The Retail Settlement Committee in cooperation with the Rates Committee are charged to create methodologies to calculate DLFs. Question - Are all embedded LDCs on the Grid to be assigned the same DLF? It was noted that DLFs can also effect load transfers between LDCs. **(Action: RSC)**
 - @ The ability of metered market payers to ask the IMO to send bills or parts of bills to third parties who are not metered was discussed (i.e., creating non-metered wholesale market players).
 - @ The question of "Green Power" came up again. It was agreed that LDCs need to know how green is the power being supplied to them.
(Action: liaison between IMO and MEST)
 - @ It was also noted that the IMO was working on prudential requirements of wholesale market participants. The Retail Settlements Committee will need to address security issues for retail settlement. **(Action: RSC)**
4. Richard Crouch gave a presentation on "Typical LDC Revenue Cycles - Now and in

the Future."

The following points and questions were raised by committee members:

- @ Issues revolving around wires charges and billing arrangements were discussed. The committee members were reminded that the LDCs retain responsibility to calculate customer charges for wires services and the wholesale cost of energy regardless of retailer involvement. **(Action: RSC)**
 - @ A discussion regarding the receipt and retention of data by LDCs was held. The importance of data flow and timing was emphasized, regardless whether the metering/meter reading function was unbundled. The question regarding the provision of specific customer information (meter readings, usage, NSLS) was raised. Are codes relating to these matters the responsibility of the Retail Settlement or the Distribution Committee? **(Action: OEB to clarify)**
 - @ A question with respect to bulk metering points was raised. Would the current application of sub-metering change under the open market. In other words under the new regime would a person who owned a bulk metering point be able to install separate meters and act as a retailer? Would he be classified as a distributor? The questions concerning sub metering rules and enforcement was left with the OEB. **(Action: RSC & OEB)**
5. At the end of the presentation, the Chair suggested that the committee break into groups to address the issues assigned to the Retail Settlement Committee. It was suggested that three teams be assigned to work on the following issues:

- Team I - Managing Customer Choice and Competitive Retailers
- Team II - Customer and Competitive Retailer Billing and Receivables
- Team III - IMO Interface for Retail Settlement/Profiling and Settlement/MSP/MDMA Interface.

The issues of Regulatory Processes will be left for last.

The Committee members were reminded that concepts of flexibility of rules must be kept in mind when formulating codes. Many of the specifics regarding codes are as

yet unclear and the codes must be applicable to diverse groups and LDCs.

While selecting members for each committee, concerns were raised regarding:

- < membership on multiple committees
- < the role of additional members to subcommittees (i.e., resource people)

It was decided to leave these issues to the members of the various subcommittees.

(Action: RSC Subcommittees)

6. The following decisions were made regarding the creation and work processes of the three subcommittees:
 - a) Richard Crouch and Steve George will begin a "straw man" list of issues that will be delivered to each subcommittee for review and redefinition. These issues will include only those which are clearly the responsibility of the Retail Settlement Committee.
 - b) Subcommittee work processes will begin after all issues are identified.
 - c) Minutes of subcommittees can be circulated via e-mail. Standards for reporting among the committees is required.
 - d) Issues from subcommittees can be presented to the main committee for discussions; however, time limits should be considered.
 - e) The decision making process requires formalization. Members were asked to e-mail their recommendations to the OEB or Chair.
 - f) Members were encouraged to use e-mail to the extent feasible so as to use meeting time more efficiently.
7. A list of the three subcommittees were circulated. Members listed their names under the group(s) in which they wished to participate.
8. It was decided that the next meeting will be held May 11, 1999. The subcommittees will then meet and decide upon dates for future meetings.

9. Steve George gave a presentation on "Customer Registration and Transfer Procedures." This led to the raising of the following comments and questions:
- @ Issues surrounding customer registrations and transfer should be integrated with procedures now used by LDCs to move customers in and out. To be added to issues list. **(Action: OEB)**
 - @ A legal opinion may be required for the interpretation of Bill 35 regarding the retention of customer written notification.
OEB clarification required. **(Action: OEB)**
 - @ It was noted that the MDC insisted upon written notification from customers before the release of specific information.
 - @ Questions were raised regarding the necessity of written notification to retailers regarding customer transfer/meter reading dates.
 - @ Members expressed concerns over the meaning of "in writing" and the increased administrative burden that transfer procedures will add to LDCs. The subcommittees were encouraged to seek alternatives within the existing registration to solve these problems. **(Action: RSC)**
 - @ Committees were further encouraged to:
 - a) keep in mind the differing abilities of large and small utilities when drafting codes,
 - b) resolve issues of the settlement process without regard to the competitive nature of the future industry. **(Action: RSC)**
10. Paula Conboy stated that there is a delay in posting much of the committee's work to date on the OEB web site. Concerns were raised regarding what information should be shared on the web site and what information should be considered proprietary. **(Action: OEB)**
11. Meeting was adjourned at 14:45.
12. Next meeting at 2300 Yonge Street, May 11, 1999, at 09:00.