

Inclusion of the Global Adjustment Settlement Amount in Daily Actual Exposure

I. Introduction

Several market participants have requested the inclusion of an estimate of the monthly global adjustment settlement amount (charge type 0146) in their daily actual net exposure calculation.

Background

The global adjustment is the difference between the total payments made to certain contracted or regulated generators/demand management projects, and any offsetting market revenues. The adjustment may be positive or negative, and appears as a debit or a credit on your monthly invoice under charge type 0146.

For more information see communication posted at: http://www.ieso.ca/imoweb/consult/consult_ga.asp

II. Key Issue

In general, the global adjustment settlement amount that appears on your monthly invoice is expected to be a credit. As a credit, the inclusion of the estimated global adjustment settlement amount in the daily actual exposure will be a benefit to market participants by reducing the daily actual exposure, and thereby delaying the issuance of margin warnings and margin calls.

However, please note that, depending on market prices, there is a possibility the estimated global adjustment settlement amount may appear as a debit in some months, resulting in an increase in the daily actual exposure, and thereby accelerating the issuance of margin warnings and margin calls.

III. Stakeholders

The global adjustment for the month is applied to the settlement statement for the last trade day of the month for all market participants who have withdrawn energy from the grid during the month (except exporters). The estimated global adjustment settlement amount used to adjust daily actual exposure will not necessarily be equal to the global adjustment settlement amount applied monthly, by the very nature of it being an estimated number.

All Metered Market Participants withdrawing energy are directly affected.

Stakeholdering efforts will therefore focus on all registered Market Participants with the exception of Transmitters, Generators and Financial Market Participants.

IV. Decision Making Process

The consensus amongst stakeholders will be the key determinant as to whether this recommendation to include the estimated global adjustment settlement amount in the daily actual exposure will be implemented. Once implemented, it will apply to all market participants withdrawing energy.

The results of the consultation will be posted on the IESO website.

V. Goals, Objectives, and Overall Approach

The goal is to use stakeholder input to decide if this recommendation is acceptable by a majority of stakeholders.

The IESO will strive to ensure stakeholders have timely, accessible, and accurate information to understand the implications of this recommendation. Some additional education may be necessary, and will be provided by the IESO as requested.

This IESO stakeholder plan will be transparent and will be clearly communicated. Stakeholder views, including dissenting views, will be posted on the public web site.

The IESO stakeholder engagement plan will provide the opportunity for all stakeholders with an interest to participate and no stakeholder constituency will have undue influence on the process.

VI. Stakeholder Engagement Methods and Schedule

A communication and background information will be posted and also e-mailed to the target stakeholders. Anyone with a concern regarding this recommendation to include the estimated global adjustment settlement amount in daily actual exposure will be requested to submit their position in writing to the IESO at stakeholder.engagement@ieso.ca

The dates of the consultation are:

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| • Posting Stakeholder Engagement Plan | August 26 th |
| • Communication to all Stakeholders | September 1 st |
| • Closing date for Stakeholder comments | September 14 th |
| • Posting of Stakeholder input | September 16 th |
| • Communication of decision | September 23 rd |
| • Implementation of decision | September 30 th |

This is a public consultation and information supplied will be posted on the IESO website including identification of the participant.