



BY EMAIL AND WEB POSTING

March 27, 2025

NOTICE OF AMENDMENTS TO CODES

**AMENDMENTS TO THE RETAIL SETTLEMENT CODE
AND THE STANDARD SUPPLY SERVICE CODE
TO FACILITATE IMPLEMENTATION OF THE IESO MARKET RENEWAL PROGRAM**

BOARD FILE NO.: EB-2024-0300

**To: All Licensed Electricity Distributors
All Licensed Electricity Retailers
Independent Electricity System Operator
All Other Interested Parties**

The Ontario Energy Board (OEB) is giving notice under section 70.2 of the *Ontario Energy Board Act, 1998 (Act)* of final amendments to the Retail Settlement Code (RSC) and the Standard Supply Service Code (SSSC). These amendments are intended to facilitate implementation of the renewed market under the Market Renewal Program (MRP) and will come into force on the date the MRP goes live. The Independent Electricity System Operator (IESO) has indicated it is targeting to go live on May 1, 2025.¹

In response to comments, as described further below, the OEB advises that all distributors should use the term “Ontario Electricity Market Price” to reflect the combined DAM OZP and LFDA. No other changes to the proposed code amendments will be implemented at this time.

A. Background

On October 18, 2024, the IESO Board of Directors formally adopted and published the Market Rule amendments related to the MRP.²

On March 11, 2025, the OEB issued a Notice of Proposal to amend the RSC and the SSSC ([March Notice](#)) in which it proposed amendments (March Proposed

¹ [Market Renewal Program \(MRP\): Readiness Plan for Market Renewal Launch](#), February 2025, p.3.

² [MR-00481-R00-R13: Market Renewal Program - Final Alignment](#), October 18, 2024.

Amendments) aimed at facilitating the renewed market under the MRP. The March Notice explained that, for electricity distributors (and other non-dispatchable loads), the Hourly Ontario Energy Price (HOEP) will be replaced by the sum of the day-ahead market (DAM) Ontario Zonal Price (OZP) and the Load Forecast Deviation Adjustment (LFDA) in the renewed market under normal market conditions. When market conditions are not normal (e.g., DAM failure), the IESO will calculate the hourly price for non-dispatchable loads using only the real-time market (RTM) OZP; i.e., LFDA would not apply.

Under the March Proposed Amendments:

- Appendix A of the RSC would be amended to replace the HOEP with the sum of the DAM OZP and the LFDA as the hourly price to be used for the purpose of calculating equations 3.3.1(a) and 3.3.2(a) – that apply to interval-metered and non-interval metered customers, respectively – and for the purpose of calculating settlements with retail embedded generators. As discussed above, that price would apply under normal market conditions and the RTM OZP would be used for the applicable settlement hours when the IESO declares a market failure or suspension.
- Section 3.2 of the SSSC sets out how to determine the spot market price for various classes of consumers for billing purposes. The same changes would be made as those discussed above in relation to Appendix A of the RSC; that is, DAM OZP plus the LFDA (under normal market conditions) and only the RTM OZP (when market conditions are not normal).
- Housekeeping amendments would be made to applicable sections in the RSC to replace all references to the “Independent Market Operator” and the “IMO” with the terms “Independent Electricity System Operator” and the “IESO”.

B. Adoption of March Proposed RSC and SSSC Amendments

The OEB invited written comments on the March Proposed Amendments and received comments from four stakeholders (which are available on the [OEB's webpage for this initiative](#)). Having considered the comments, the OEB is now finalizing the amendments to the RSC and the SSSC, as set out in the March Proposed Amendments, with no changes. The final RSC amendments are set out in Appendices A (blackline relative to the existing RSC) and B (final text for RSC), and the final SSSC amendments are set out in Appendices C (blackline relative to the existing SSSC) and D (final text for SSSC) of this Notice.

A group of distribution-connected generators – referred to as the Dx-connected Asset Group (DACG)³ – raised concerns about replacement of the HOEP with the sum of the DAM OZP and the LFDA, which they refer to as the Retail Settlement Code Price (RSCP). The DACG concern is that their facilities are all settled against the HOEP under their contracts with the IESO. DACG stated that the RSCP will be formed differently than the HOEP and indicated they believe there is a heightened risk that the RSCP may be negative more frequently than the current HOEP, which would result in revenue erosion under their contracts. The OEB is of the view that DACG’s concern – that the market price, under MRP, may have a negative impact on their revenues (relative to HOEP under the status quo) – is not a matter that can be addressed as part of an OEB Code amendment. The OEB notes that the RSC amendments are only being made to align with the IESO Market Rule amendments. Under the RSC, distributors will continue to pass through the DAM OZP plus the LFDA from the IESO to applicable embedded generators (and load consumers), in the same manner as they currently do with the HOEP; i.e.; the amendments to the RSC do not result in making price adjustments.

An electricity distributor requested that the OEB clarify the terminology that should be used by distributors to refer to the sum of the DAM OZP plus the LFDA on customer bills and for settlement purposes. The distributor asked if distributors should continue to use the term “Hourly Ontario Energy Price”. The Electricity Distributors Association (EDA) provided a similar request that the OEB clarify the terminology that should be used by distributors on non-RPP customer bills. The EDA stated: “It is our members’ opinion that establishing a consistent naming convention will mitigate billing and market confusion.” The EDA also suggested the following naming options that were provided by its members – Ontario Electricity Price, Ontario Electricity Commodity Price, or Ontario Electricity Market Price.

The OEB agrees that distributors should be using a consistent term on the electricity bills of non-RPP consumers that are on the spot market price to ensure clarity and consistency across the province. Continuing to refer to the price as the HOEP for non-RPP consumers would likely cause confusion since many IESO and OEB documents will be replacing that term. In response to the requests from distributors, **the OEB is providing the following guidance: all distributors should use the term “Ontario Electricity Market Price” on non-RPP consumer electricity bills to reflect the combined DAM OZP and LFDA, since it is an *electricity* price that is determined in the *IESO-Administered markets*.**

A stakeholder commented that the Electronic Business Transactions (EBT) Standards should be updated to reflect the change from the HOEP to the DAM OZP plus the LFDA. The EBT Standards set out requirements related to retailers and distributors

³ BluEarth Renewables, Axium Infrastructure, Cordelio Power, FirstLight,Energy, and Northland Power.

sharing customer and billing information.⁴ The OEB agrees that the EBT Standards Document needs to be updated and will request the EBT Standards Working Group to make the necessary changes as a housekeeping matter (e.g., change HOEP to OZP DAM plus LFDA).

As noted in the March Notice, Regulated Price Plan (RPP) consumers and consumers with retail contracts will continue to pay the prices set by the OEB or through their retail contract, respectively. Distributors should continue to use the same terminology with their RPP consumers – Time-of-Use (TOU), Ultra-Low Overnight (ULO) and Tiered electricity prices. Non-RPP consumers, on the spot market price, will continue to pay a market price that is the same across the province – like the current market price (i.e., HOEP).

C. Anticipated Costs and Benefits

The anticipated costs and benefits associated with these amendments were set out in the March Notice, and interested parties should refer to the March Notice for a detailed discussion in that regard.⁵ As indicated in the March Notice, these changes are necessary to align the Codes with the MRP related Market Rule amendments in order to facilitate MRP implementation, and it is expected that the costs of implementing the Code amendments will be minimal.

D. Coming into Force

The amendments to the RSC and the SSSC, as set out in Appendix A and Appendix C, respectively, come into force on the date that the IESO's MRP goes live. As stated above, the IESO's current target date for the MRP go live date is May 1, 2025.

As indicated in the March Notice, the IESO has stated that it expects a go-live decision will be made and communicated to the sector in early April 2025 to advise whether all necessary conditions for a May 1, 2025 go-live have been achieved. If all the conditions have not been met, the IESO will communicate a new go-live date.⁶ According to the IESO, the new go-live date would be the 1st day of a subsequent month, and a minimum of two weeks notice would be provided.⁷

If you have any questions regarding the amendments to the Codes described in this Notice, please contact IndustryRelations@oeb.ca. The OEB's toll free number is 1-888-632-6273.

⁴ [Electronic Business Transactions \(EBT\) Standards Document](#), Ontario EBT Working Group, Version 4, January 21, 2008.

⁵ [March Notice](#).

⁶ Market Renewal Program (MRP): Readiness Plan for Market Renewal Launch, September 2024, p.9

⁷ [IESO MRP Go Live Plan](#), April 25, 2024, p.70

DATED at Toronto, March 27, 2025

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

Attachments:

- Appendix A —Amendments to the Retail Settlement Code – Comparison Version
to Current Code
- Appendix B —Amendments to the Retail Settlement Code – Clean Version
- Appendix C —Amendments to the Standard Supply Service Code – Comparison
Version to Current Code
- Appendix D —Amendments to the Standard Supply Service Code – Clean
Version

Appendix A
to
Notice of Amendments to the
Retail Settlement Code and the Standard Supply Service Code

March 27, 2025

EB-2024-0300

Amendments to the Retail Settlement Code –
Comparison Version to Current Code

Note: Underlined text indicates additions to the Retail Settlement Code and strikethrough text indicates deletions from the Retail Settlement Code. Numbered titles are included for convenience of reference only.

Appendix A of the Retail Settlement Code is amended as follows:

Competitive Electricity Costs

Section 3.1 of the Retail Settlement Code indicates that the Board shall establish the sub-set of the ~~IMO~~ IESO-billed services that are deemed to be Competitive Electricity Services for the purpose of calculating settlement costs in accordance with Chapter 3 of the Code.

The hourly price to be used in the determination of any of the calculations shall be the sum of the Day-Ahead Market Ontario Zonal Price and the Load Forecast Deviation Adjustment ~~Hourly Ontario Energy Settlement Price~~ published by the ~~IMO~~ IESO for the settlement hour. This price shall be used for the purpose of calculating equations 3.3.1(a) and 3.3.2(a) and for the purpose of calculating settlements with retail embedded generators. This price shall be used during normal market conditions.

When the IESO declares a failure or suspension of the Day-Ahead Market, the hourly price to be used for the applicable settlement hours shall be the Real-Time Market Ontario Zonal Price.

Appendix B
to
Notice of Amendments to the
Retail Settlement Code and the Standard Supply Service Code

March 27, 2025

EB-2024-0300

Amendments to the Retail Settlement Code – Clean Version

Appendix A of the Retail Settlement Code is amended as follows:

Competitive Electricity Costs

Section 3.1 of the Retail Settlement Code indicates that the Board shall establish the subset of the IESO-billed services that are deemed to be Competitive Electricity Services for the purpose of calculating settlement costs in accordance with Chapter 3 of the Code.

The hourly price to be used in the determination of any of the calculations shall be the sum of the Day-Ahead Market Ontario Zonal Price and the Load Forecast Deviation Adjustment published by the IESO for the settlement hour. This price shall be used for the purpose of calculating equations 3.3.1(a) and 3.3.2(a) and for the purpose of calculating settlements with retail embedded generators. This price shall be used during normal market conditions.

When the IESO declares a failure or suspension of the Day-Ahead Market, the hourly price to be used for the applicable settlement hours shall be the Real-Time Market Ontario Zonal Price.

Appendix C
to
Notice of Amendments to the
Retail Settlement Code and the Standard Supply Service Code

March 27, 2025

EB-2024-0300

Amendments to the Standard Supply Service Code –
Comparison Version to Current Code

Note: Underlined text indicates additions to the Standard Supply Service Code and strikethrough text indicates deletions from the Standard Supply Service Code. Numbered titles are included for convenience of reference only.

The definition of “spot market price” in the Standard Supply Service Code is amended as follows:

1.2 Definitions

1.2.1 In this Code, unless the context otherwise requires:

“spot market price” means, for a given settlement hour, the sum of the Day-Ahead Market Ontario Zonal Price and the Load Forecast Deviation Adjustment ~~Hourly Ontario Energy Price~~ established by the IESO for that hour. When the IESO declares a failure or suspension of the Day-Ahead Market, the hourly price to be used for the applicable settlement hours shall be the Real-Time Market Ontario Zonal Price;

Appendix D
to
Notice of Amendments to the
Retail Settlement Code and the Standard Supply Service Code

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Amendments to the Standard Supply Service Code – Clean Version

The definition of “spot market price” in the Standard Supply Service Code is amended as follows:

1.2 Definitions

1.2.1 In this Code, unless the context otherwise requires:

“spot market price” means, for a given settlement hour, the sum of the Day-Ahead Market Ontario Zonal Price and the Load Forecast Deviation Adjustment established by the IESO for that hour. When the IESO declares a failure or suspension of the Day-Ahead Market, the hourly price to be used for the applicable settlement hours shall be the Real-Time Market Ontario Zonal Price;