

Memorandum

To: Technical Panel
From: Rebecca Short
Date: February 7, 2017
Re: MR-00430: Prudential Support - Revisions to Reductions in Demand Response
Prudential Support Obligations, Interest Payments on Cash Deposits

Attached for Technical Panel review and consideration are the following documents:

- Presentation (IESOTP Feb 2017-3b); and
- Market rule amendment proposal MR-00430-R00 (IESOTP Feb 2017-3c).

The IESO proposes to amend the market rules to:

1. Provide greater demand response (DR) prudential reductions to distributors for credit ratings and good payment history;
2. Eliminate the requirement that the IESO pay interest on cash deposits provided as prudential support; and
3. Update existing cross-references and provide true-ups related to affiliate guarantees and credit ratings.

The proposed changes are based on the [2016 Prudential Review](#) stakeholder engagement.

Warrants Consideration

A warrants consideration vote is not required due to the IESO established formal engagement initiative, in accordance with the [Technical Panel Terms of Reference](#).

Recommendation – Priority

The IESO recommends that the Technical Panel assign a regular priority to the development of the suggested changes.

Panel Decision Required

The IESO recommends that the Technical Panel agree to post MR-00430-R00 for stakeholder comment for a period of two weeks, ending March 2, 2017. The target for IESO Board consideration of the amendment is April 12, 2017.

Rebecca Short
Attach.