

# Market Rules

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## Chapter 11

# Definitions

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## Document Control

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### ***Distribution List***

<b>Name</b>	<b>Organization</b>

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# 1. Definitions

## Rule Notes:

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In the market rules:

*actual exposure* means, in respect of a given *market participant*, the amount calculated at any given time by the *IESO* for that *market participant* pursuant to section 5.5 of Chapter 2;

*adequacy* means the ability of the *electricity system* to supply electrical demand and *energy* requirements at all times, taking into account scheduled and unscheduled *outages* of equipment or components;

*adjustment period allocation* refers to a means of allocating post-final adjustments to *settlement amounts*. This allocation is based on *market participant* activity in the *energy market* during the event that is the subject of the originating *settlement* adjustment;

*administrative price* means a price established by the *IESO* in the circumstances referred to and in accordance with section 8.4A of Chapter 7;

*advance approval* means *IESO* approval of a *planned outage* before the scheduled start date of the *planned outage*. *Advance approval* includes *quarterly advance approval*, *weekly advance approval*, *three-day advance approval* and *one-day advance approval*;

*affiliate*, with respect to a corporation, has the meaning ascribed thereto in the *Business Corporations Act* (Ontario);

*amend*, in relation to the *market rules*, means any change to the *market rules*, whether by amendment, alteration, addition or deletion;

*amendment submission* has the meaning ascribed thereto in section 4.2.4 of Chapter 3;

*ancillary service provider* means a person who provides an *ancillary service*;

*ancillary service* means services necessary to maintain the *reliability* of the *IESO-controlled grid*, including, but not limited to, *regulation*, *black start capability*, *voltage control*, reactive power, *operating reserve* and any other such services established by the *market rules*;

*applicable law* means all laws, regulations, other statutory instruments and rules and other documents of a legislative nature which apply to the *IESO* or to *market participants*, and all

orders of a government, governmental body, authority or agency having jurisdiction over the *IESO* or a *market participant* including, but not limited to, any *licence* issued to the *IESO* or a *market participant*;

*applicant* has the meaning ascribed thereto in section 2.5.1 of Chapter 3;

*application for authorization to participate* means the form *published* by the *IESO* and by which a person may apply for authorization to participate in the *IESO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IESO-controlled grid*;

Arbitration Act, 1991 means the Arbitration Act, 1991, S.O. 1991, c. 17;

*arbitrator* means a qualified person appointed pursuant to section 2.7 of Chapter 3 to arbitrate a dispute;

*area control error* or *ACE* means the instantaneous difference between actual and scheduled interchange, taking into account the effects of frequency bias;

*attended* means regularly staffed on a twenty-four hours a day, seven days a week basis;

*auction capacity* means an amount in megawatts of electricity available to be provided to the *IESO-controlled grid*, by *capacity market participants* in association with a *capacity auction*;

*auction period* means, with respect to a *capacity auction*, the length of time commencing with the opening of the window during which the *IESO* receives *capacity auction offers*, and finishing at the time at which the *IESO publishes* auction results;

*authority center* means, in respect of a *facility*, an *attended* location at which indirect operational control of the *facility* is effected;

*automatic generation control* or *AGC* means the process that automatically adjusts the output from a *generation facility* or an *electricity storage facility* that is providing *regulation*;

*automatic voltage regulation* or *AVR* means the process that automatically adjusts the reactive output of a *generation unit*, *electricity storage unit*, or synchronous condenser to maintain the *unit* terminal voltage within a pre-determined range;

*availability de-rating factor* means, in respect of an *obligation period*, a value which is assigned to a *capacity auction resource*, as determined in accordance with the applicable *market manual*.

*availability window* means the hours in an *obligation period* during which *capacity auction resources* are required to be available to provide *auction capacity*;

*basecase* means a model of electrical components of the *IESO-controlled grid* and *neighbouring electricity systems*. Such components may include but are not limited to transformers, *generation facilities*, *electricity storage facilities*, and transmission lines, and includes the steady-state, dynamic and short circuit attributes of each component where applicable.

*BES exception applicant* means (i) a *market participant* who owns *IESO controlled-grid* elements or *facilities* who applies to the *IESO* for a *BES exception*; or (ii) a *connection applicant* who applies to the *IESO* for a *BES exception*;

*BES exception request* means an application for the approval, amendment, termination, or transfer of a *BES exception* pursuant to section 3.2B of Chapter 5;

*bid* means a statement of the quantities of a commodity that a buyer will purchase at different *market price* levels for that commodity in the *real-time market* or the *procurement market*;

*bidding limit* means, in respect of a given *TR participant*, the amount calculated by the *IESO* for that *TR participant* in accordance with section 4.14.1 of Chapter 8;

*billing period* means, in respect of the purchase or sale of *TRs* in a round of a *TR auction*, a period of a *trading week*, in respect of the *real-time markets* and the *settlement* of amounts owing to *TR holders* under section 4.4.1 of Chapter 8, a period of a calendar month;

*black start capability* means the capability of a *generation facility* to start without an outside electrical supply so as to be used to energize a defined portion of the *IESO-controlled grid*;

*boundary entity* means an entity designated and maintained by the *IESO* for the purpose of energy trading, and which represents the capacity of one or more resources, including but not limited to *generation facilities* or *load facilities*, located at a point or points external to the *IESO control area* which a *market participant* is entitled to inject into or withdraw from the *IESO-controlled grid* and which shall be deemed to be located in an *intertie zone* in accordance with section 2.2.7.2 of Chapter 7;

*bulk electric system exception* or *BES exception* is an exception from compliance with the requirements of *NERC reliability standards* relating to elements or *facilities* connected to the *IESO controlled-grid* in accordance with the Ontario-adapted *NERC* procedure for processing *BES exceptions*;

*business day* means any day other than a Saturday, a Sunday or a holiday as defined in section 88 of the *Legislation Act* and, where expressed by reference to the jurisdiction of a *market participant* other than the Province of Ontario, means any day other than a Saturday, a Sunday or a day on which banks are authorized or required to be closed in the jurisdiction of that *market participant*;

*buying market participant* means a *market participant* that is purchasing *energy* under a *physical bilateral contract*;

*called capacity export* means an *energy export* from the *IESO control area* that is supported by the capacity of a *generation unit* or the capacity for injection of an *electricity storage unit* within the *IESO control area* that has committed its capacity, or a portion thereof, to an external *control area* and that capacity has been called by the external *control area operator* in accordance with section 20.3 of Chapter 7;

*Canadian prime interest rate* means the base lending rate that the bank where the *IESO settlement clearing account* is maintained charges for commercial loans to its best and most creditworthy commercial customers;

*capability factor* means the ratio of the *energy* which could have been delivered by a generating station with *generation unit* limitations in effect, to the *energy*, over the same period of time, that could have been delivered if the generating station had operated at its *maximum continuous rating*;

*capacity auction* means an auction operated by the *IESO* to acquire *auction capacity*, and includes a *demand response auction*;

*capacity auction capacity test* means a test which is used to evaluate a *capacity auction resource* on their ability to provide *capacity*, as specified in the applicable *market manual*;

*capacity auction clearing price* means the price at which a *capacity auction* clears for an *obligation period* and is expressed in \$/MW-day;

*capacity auction deposit* means the deposit required to be made by a *capacity auction participant* in accordance with section 18 of Chapter 7, as a condition of participating in a *capacity auction*;

*capacity auction dispatch test* means a test conducted by the *IESO* in which *capacity auction resources* are evaluated on their ability to successfully respond to *dispatch* instructions as specified in the applicable *market manual*;

*capacity auction eligible generation resource* means a *non-committed resource* that is associated with a *generation facility*, which is also a *connected facility* at the commencement of the capacity qualification process for a given *capacity auction*, and which is registered as dispatchable with the *IESO* prior to the *obligation period* in accordance with the timelines specified in the applicable *market manual*;

*capacity auction eligible storage resource* means a *non-committed resource* associated with an *electricity storage facility*, which is also a *connected facility* at the commencement of the capacity qualification process for a given *capacity auction*, and which is registered as

dispatchable with the *IESO* prior to the *obligation period* in accordance with the timelines specified in the applicable *market manual*;

*capacity auction offer* means an *offer(s)* from a *capacity auction participant*, in the form of a *price-quantity pair(s)*, to provide *auction capacity* through a *capacity auction resource* for an applicable *obligation period*, reflecting the amount of *auction capacity* that the *capacity auction participant* can reliably and responsibly provide if received as a *capacity obligation*, and which *offer* amount is no greater than the *capacity auction participant's unforced capacity*;

*capacity auction participant* means a person that is authorized to participate in a *capacity auction* and submit *capacity auction offers*;

*capacity auction reference price* represents the price at which resources would be incentivized to enter the market and recover the necessary costs to make their capacity available, recognizing their revenue opportunities and avoided costs in the *energy market*. The reference price is directly associated with the *target capacity* as another key reference point in the demand curve;

*capacity auction resource* means a resource type specified in section 19.1.2 of Chapter 7 and is utilized by a *capacity auction participant* to satisfy a *capacity obligation*;

*capacity auction zonal constraints* means the minimum or maximum amount of *auction capacity*, or virtual *demand response capacity* that a *capacity auction* seeks to secure for a specific electrical zone or group of electrical zones as detailed by the *IESO* in each pre-auction report;

*capacity dispatchable load resource* means the *capacity auction resource* associated with a *dispatchable load* that has received a *capacity obligation* in a given *capacity auction* in accordance with the applicable *market manual*;

*capacity export agreement* means an agreement between the *IESO* and a *control area operator* regarding the management of *called capacity exports*, and which may include but is not limited to *interconnection agreements*;

*capacity export request* means a request submitted to the *IESO* by a *market participant* for approval to commit the Ontario-based capacity of a *generation unit* or the injection capacity of an *electricity storage unit* to an external *control area* in accordance with section 20.1 of Chapter 7;

*capacity generation resource* means a *capacity auction eligible generation resource* with a *capacity obligation* received in a given *capacity auction* in accordance with the applicable *market manual*;

*capacity import call* means an *energy* import from an external *control area* that is supported by the capacity of a *generation unit* or the capacity for injection of an *electricity storage unit* within the external *control area* that has committed its capacity, or a portion thereof, to the *IESO control area* and that capacity has been called by the *IESO* in accordance with section 19.9 or 19.9B of Chapter 7;

*capacity market participant* means a *capacity auction participant* that has registered with the *IESO* as a *capacity market participant*, and who satisfies requirements contemplated in Chapter 7, section 18;

*capacity obligation* means the amount of *cleared UCAP* that a *capacity market participant* is required to provide from a particular *capacity auction resource* during each hour of the *availability window* of an *obligation period*;

*capacity prudential support* means the collateral provided by a *market participant* with a *capacity obligation* in accordance with the requirements contemplated in Chapter 2, section 5B;

*capacity prudential support obligation* means the dollar amount of collateral required as specified by the *IESO* as a condition of satisfying a *capacity obligation*;

*capacity qualification request* means a request submitted to the *IESO* by a *capacity auction participant* which includes the *installed capacity* and all other applicable information, using the forms specified by the *IESO*, for the determination of the *unforced capacity* of a *capacity auction resource* in the capacity qualification process specified in the applicable *market manual*;

*capacity storage resource* means a *capacity auction eligible storage resource* with a *capacity obligation* received in a given *capacity auction*, in accordance with the applicable *market manual*;

*capacity transferee* means a *capacity auction participant* who is willing to accept all or a portion of a *capacity obligation* from a *capacity transferor*. A *capacity transferee* may be the same *capacity auction participant* as the *capacity transferor*;

*capacity transferor* means a *capacity auction participant* who intends to transfer all or a portion of its *capacity obligation* received through a *capacity auction* to a *capacity transferee*. A *capacity transferor* may be the same *capacity auction participant* as the *capacity transferee*;

*Certified black start facility* means a *registered facility* that, to the satisfaction of the *IESO* acting reasonably, has complied with and continues to comply with equipment and staffing configurations, training and maintenance programs and inspection and testing regime as set

out in the *market rules* or the *Ontario power system restoration plan*, and from which the *IESO* may direct the delivery of power without assistance from the electrical system.

*charge type* means the identifier designating an item on an *invoice* or a *settlement statement*;

*class r reserve* means operating reserve of class *r*, where *r* = 1 denotes *ten-minute operating reserve* and *r* = 2 denotes *thirty minute operating reserve*;

*cleared ICAP* means, in respect of a *capacity auction resource*, an amount in megawatts of electricity, as determined in accordance with section 18.8.2 of Chapter 7 and adjusted for any applicable *capacity obligation* buy-outs or *capacity obligation* transfers;

*cleared UCAP* means an amount in megawatts of electricity that a *capacity auction resource* cleared in a given *capacity auction* and adjusted for any applicable *capacity obligation* buy-outs, *capacity obligation* transfers, or in-period *cleared UCAP* adjustments;

*close of banking business* means 3:00 p.m. on the day the relevant bank is open for business;

*cogeneration facility* means a *generation facility* that produces both electric *energy* and either steam or other forms of useful energy (such as heat), which are used for industrial, commercial, heating, or cooling purposes, and qualifies for treatment as a Class 43.1 facility or has qualified as a Class 34 facility under the Income Tax Act, R.S.C. 1985, c.1.;

*combined guaranteed costs* means all eligible costs incurred by a *generation facility* from either the point of ignition or synchronization to the *IESO-controlled grid* as applicable, until the earlier of the end of the *minimum generation block run-time* and the end of the *minimum run-time* for the *generation facility*;

*commissioning electricity storage facility* means an *electricity storage facility* located within the *IESO control area* that is either (i) newly constructed or (ii) significantly redesigned or rebuilt and is designated by the *IESO* as a *commissioning electricity storage facility* and, in either case, that has not yet completed the commissioning tests referred to in section 2.2D.4.2 of Chapter 7;

*commissioning generation facility* means a *generation facility* located within the *IESO control area* that is either (i) newly constructed or (ii) significantly redesigned or rebuilt and is designated by the *IESO* as a *commissioning generation facility* and, in either case, that has not yet completed the commissioning tests referred to in section 2.2A.4.2 of Chapter 7;

*commitment period* means the period of time for each *capacity auction* over which it secures *capacity*. It consists of two *obligation periods*;

*confidential information* means (i) information which has been supplied by the disclosing person in confidence implicitly or explicitly, where disclosure could reasonably be expected

to: (a) prejudice significantly the competitive position of the disclosing person; (b) interfere significantly with the contractual or other negotiations of the disclosing person or another person; (c) result in undue loss or gain to the disclosing person or another person; (d) compromise the efficiency of the *IESO-administered markets*; (e) result in the disclosing person being in breach of a bona fide confidentiality agreement to which the information is subject; or (f) in the opinion of the *IESO*, pose a potential security threat to the *integrated power system*, the *IESO-administered markets*, or those of neighbouring jurisdictions; and (ii) information that, pursuant to the *market rules* or *applicable law*, the *IESO* or a *market participant* cannot disclose or make available to one or more persons;

*confidentiality classification* means a classification referred to in section 5.4.1 of Chapter 3;

*connect* means to form a physical link to or with the *IESO-controlled grid* through a *connection facility*;

*connected facility* means a *facility* connected to the *IESO-controlled grid*;

*connected wholesale customer* means a wholesale customer, other than a *distributor*, that is directly connected to the *IESO-controlled grid*;

*connection agreement* means an agreement entered into between a *transmitter* and a *market participant* governing the terms and conditions pursuant to which the *market participant* is connected to the *transmitter's transmission system*;

*connection applicant* means any of:

- (i) a *market participant* or person that applies to the *IESO* for approval of a new *connection* to the *IESO-controlled grid* or for approval of the modification of an existing *connection* to the *IESO-controlled grid*, or
- (ii) a *distributor* in whose *distribution system* a *market participant* or person is or intends to be connected as an *embedded generator* or *embedded electricity storage participant* whose *facility* is or will be rated greater than 10 MW, that seeks to establish a new or modify an existing connection pursuant to section 6.1.6 of Chapter 4;

*connection assessment* means a study conducted by the *IESO* pursuant to section 6.1.5 of Chapter 4 to assess the impact of a new *connection* to the *IESO-controlled grid* or of the modification of an existing *connection* to the *IESO-controlled grid* on the *reliability* of the *integrated power system*;

*connection charge* means a charge for recovering costs associated with connection to a *transmission system*;

*connection facility* means a *facility* and equipment that allow a person to become *connected* to the *IESO-controlled grid* and includes, in the case of a *distributor*, distribution assets

owned by a person other than the *distributor* that have been deemed by the *OEB* to be transmission assets;

*connection-related reliability information* means any information provided or requested pursuant to section 2.2.5 of Chapter 7 and/or section 6.1.6.2 of Chapter 4.

*connection point* means a point of connection between the *IESO-controlled grid* and a *generation facility*, *electricity storage facility*, or *load facility*, or the point at which a neighbouring *transmission system* is connected to the *IESO-controlled grid*;

*connection request* means a request submitted by a *market participant* or a *connection applicant* to a *transmitter* for *connection* to the *IESO-controlled grid*;

*connection station service* is *station service* associated with transformers, capacitors, switchgear, protection systems and control systems that *connect generation facilities*, *electricity storage facilities*, *load facilities* or *distribution facilities* to the *IESO-controlled grid*;

*conservative operating state* means the state described in section 2.5 of Chapter 5;

*constrained IESO-controlled grid model* means the model capable of being used by the *dispatch algorithm* and described in section 4.5.1.2 of Chapter 7;

*constrained off dispatchable load* means a *dispatchable load*, *electricity storage unit* or *boundary entity* dispatched by the *IESO* to consume (or to withdraw in the case of an *electricity storage unit* or *boundary entity*) less *energy* in order to assist in addressing a transmission flow constraint on the *IESO-controlled grid* or a *security limit* in circumstances where such *dispatchable load*, *electricity storage unit* or *boundary entity* would, but for such constraint or *security limit*, otherwise be or have been *dispatched* to consume (or to withdraw in the case of an *electricity storage unit* or *boundary entity*) more *energy*;

*constrained off event* means, in respect of a *generation unit*, an *electricity storage unit*, a *dispatchable load*, or a *boundary entity*, the event of being *dispatched* as a *constrained off facility*;

*constrained off facility* means a *constrained off generation unit*, a *constrained off dispatchable load* or both;

*constrained off generation unit* means a *generation unit*, *electricity storage unit*, or *boundary entity* dispatched by the *IESO* to supply (or to inject in the case of an *electricity storage unit* or *boundary entity*) less *energy* in order to assist in addressing a transmission flow constraint on the *IESO-controlled grid* or a *security limit* in circumstances where such *generation unit*, *electricity storage unit*, or *boundary entity* would, but for such constraint or *security limit*,

otherwise be or have been *dispatched* to supply (or to inject in the case of an *electricity storage unit* or *boundary entity*) more *energy*;

*constrained on dispatchable load* means a *dispatchable load*, *electricity storage unit* or *boundary entity* *dispatched* by the IESO to consume (or to withdraw in the case of an *electricity storage unit* or *boundary entity*) more *energy* in order to assist in addressing a transmission flow constraint on the IESO-controlled grid or a *security limit* in circumstances where such *dispatchable load*, *electricity storage unit* or *boundary entity* would, but for such constraint or *security limit*, otherwise be or have been *dispatched* to consume (or to withdraw in the case of an *electricity storage unit* or *boundary entity*) less *energy*;

*constrained on event* means, in respect of a *generation unit*, an *electricity storage unit*, a *dispatchable load* or a *boundary entity*, the event of being *dispatched* as a *constrained on facility*;

*constrained on facility* means a *constrained on generation unit*, a *constrained on dispatchable load* or both;

*constrained on generation unit* means a *generation unit*, *electricity storage unit*, or *boundary entity* *dispatched* by the IESO to supply (or to inject in the case of an *electricity storage unit* or a *boundary entity*) more *energy* in order to assist in addressing a transmission flow constraint on the IESO-controlled grid or a *security limit* in circumstances where such *generation unit*, *electricity storage unit*, or *boundary entity* would, but for such constraint or *security limit*, otherwise be or have been *dispatched* to supply (or to inject in the case of an *electricity storage unit*, *boundary entity*) less *energy*;

*consumer* means a person who uses, for the person's own consumption, electricity that the person did not generate;

*contingency event* means the unexpected failure of a single component or multiple components connected to the *electricity system*;

*contracted ancillary services* means *ancillary services*, other than *operating reserve*, procured by the IESO by contract rather than in the *real-time markets* in accordance with sections 9.2 to 9.5 of Chapter 7;

*contributor outage* means an *outage* of a *demand response contributor* where its energy consumption is less than 1% of its peak consumption measured in the prior three months, excluding any *outages* related to *generation units*;

*control area* means an area on an electricity system where supply and demand are kept in balance through *dispatch* by the *control area operator*;

*control area operator* means the person responsible for the *secure* operation of a *control area*, and includes independent system operators and regional transmission organizations in other jurisdictions;

*control centre* means, in respect of a *registered facility* or group of *facilities*, an *attended location* where signals and instructions for controlling the *facilities* are received from an *authority centre* or the *IESO*, and transferred directly to the *facilities* for implementation;

*costs of the arbitration* means the fees and expenses of an *arbitrator* and any other costs and expenses related to the arbitration of a dispute under section 2 of Chapter 3, other than the legal costs and expenses of the parties to the dispute and of any intervenor;

*costs of the mediation* means the fees and expenses of a *mediator* and any other costs and expenses related to the mediation of a dispute under section 2 of Chapter 3, other than the legal costs and expenses of the parties to the dispute and of any person permitted by the *mediator* to attend a mediation session pursuant to section 2.6.6;

*current period adjustment* means an adjustment that is effected against amounts owing or payable in respect of transactions reflected in a *settlement statement* issued for the *billing period* or *trading day* during which the *current period adjustment* is effected regardless of the *billing period* or *trading day* during which the *preliminary settlement statement* to which the adjustment relates occurred;

*curtailment* means the involuntary curtailment of *non-dispatchable load* as a result of insufficient *generation capacity* or *electricity storage capacity*, of a limitation in the capacity of a *transmission system* or of actions taken by the *IESO* pursuant to Chapter 5 to maintain the *reliability* of the *IESO-controlled grid* or of the *electricity system*;

*daily cascading hydroelectric dependency* means there is a minimum hydraulic time lag of less than 24 hours from a hydroelectric *generation facility* to one or more adjacent upstream and/or downstream hydroelectric *generation facilities* operated by the same *registered market participant*;

*data collection system* means a means of extracting *metering data* from a *metering installation* and transferring such *metering data* into a remote *metering database*;

*data logger* means a device designed to be capable of reading and holding data until that data is collected;

*default amount* means a dollar amount by which a *market participant* has defaulted upon its obligations to *settle* with the *IESO* and shall, for purposes of the imposition of a *default levy*, be calculated in accordance with section 8.3.1 or 8.5.1 of Chapter 2;

*default interest* means interest at the *default interest rate*;

*default interest rate* means the interest rate calculated as the *Canadian prime interest rate* plus 2%;

*default levy* means a levy imposed by the *IESO* on *non-defaulting market participants* in accordance with section 8 of Chapter 2;

*defaulting market participant* means a *market participant* that is in default of payment in respect of monies owing to the *IESO* under the *market rules*;

*default protection amount* means, in respect of a given *market participant*, the dollar amount determined from time to time by the *IESO* for that *market participant* in accordance with section 5.3.8 of Chapter 2;

*defined meter point* means (a) in respect of a *facility connected* to the *IESO-controlled grid* by a *connection facility* that is a radial line designated by the *IESO* for such purpose, the point at a voltage above 50 kV at which the designated radial line is *connected* to (i) the high voltage bus of the *facility*, or (ii) the *facility*, if there is no such high voltage bus; (b) in respect of a *facility connected* to the *IESO-controlled grid* by a *connection facility* other than one referred to in (a), the point at a voltage above 50 kV at which the *connection facility* is *connected* to the *IESO-controlled grid*; and (c) in respect of an *embedded market participant*, the point at which the *embedded market participant's facility* is connected to the distribution system within which it is *embedded*;

*delivery point* means a uniquely identified reference point determined in accordance with section 2.4A.1 of Chapter 9 and used for *settlement* purposes in the *real-time markets*, other than in respect of transactions involving the transmission of *energy* or *ancillary services* into or out of the *IESO-controlled grid* from a neighbouring *transmission system*;

*demand* means the rate at which electric *energy* is delivered to or by a system or part of a system, generally expressed in kilowatts or megawatts, at a given instant or averaged over any designated interval of time;

*demand response auction* means an auction operated by the *IESO* prior to December 31, 2019, to acquire *demand response capacity*, in accordance with section 18 of Chapter 7;

*demand response bid price threshold* means the price at which a *demand response energy bid* shall exceed, in the day-ahead commitment process and the *real-time market*, to be considered a *demand response energy bid* in accordance with the applicable *market manual*;

*demand response capacity* means the quantity of load reduction provided by *dispatchable loads* and/or *hourly demand response resources*;

*demand response contributor* means a *load facility* that is associated with an *hourly demand response resource* and is used to satisfy in whole or a portion of a *capacity obligation*.

*Demand response contributors* are registered by *capacity market participants* as part of the contributor management process detailed in the applicable *market manual*;

*demand response energy bid* means a *bid* in the day-ahead commitment process and the *real-time market*, greater than the *demand response bid price threshold*, except during the *capacity auction capacity test* testing window, and less than the *MMCP*, by a *capacity market participant* entered for either a *capacity dispatchable load resource* or an *hourly demand response resource* to fulfill a *capacity obligation* availability requirement;

*demand response resource* means, in a *capacity auction*, either an *hourly demand response resource* or a *capacity dispatchable load resource*;

*designated constrained off watch zone* means an area within Ontario as set out in the applicable *market manual*, including connected *intertie zones*, that is monitored to determine if persistent and significant congestion management *settlement* credit payments for *constrained off events* are being made. These watch zones may be further designated for injections, withdrawals or both;

*disaster recovery plan* means the plan for maintaining *IESO* settlement functions in the event of a disaster;

*disconnect* means to separate *facilities* or equipment from the *IESO-controlled grid*, a *transmission system*, a *distribution system* or from a host *market participant*, as the case may be, and, in the case of a *distributor* that is *connected* to the *IESO-controlled grid* by distribution assets owned by a person other than the *distributor* that have been deemed by the *OEB* to be transmission assets, to separate the *distributor* from those assets;

*disconnection order* means an order issued by the *IESO* to any one of, or a combination of, a *transmitter*, a *distributor* or other *market participant*, directing such *transmitter*, *distributor* or other *market participant*, as applicable, to *disconnect facilities* or equipment specified within such order;

*dispatch* means the process by which the *IESO* directs the real-time operation of *registered facilities* to cause a specified amount of electric *energy* or *ancillary service* to be provided to or taken off the *electricity system*;

*dispatch algorithm* means the mathematical algorithm used by the *IESO* to determine various operating schedules and prices in accordance with Chapter 7;

*dispatch centre* means, in respect of a *registered facility* or group of *facilities*, an *attended location* at which employees have the authority and capability to *dispatch* the *facilities* based on the *dispatch instructions* received from the *IESO*;

*dispatch data* means the *offers, bids, self-schedules* and estimates of *intermittent generation* required to be submitted to the *IESO* in accordance with Chapter 7 and used by the *IESO* to determine physical operations and *physical market prices*;

*dispatch day* means a period from midnight EST to the following midnight EST;

*dispatch hour* means a one hour period within a *dispatch day*;

*dispatch instructions* means in respect of a *registered facility* other than a *boundary entity*, a physical operating instruction issued by the *IESO* either in the *real-time dispatch process* or in those *dispatch intervals* when *administrative prices* were applied pursuant to section 8.4A of Chapter 7 or the *IESO-administered markets* are suspended pursuant to section 13 of Chapter 7, and, in respect of a *registered facility* that is a *boundary entity*, the *interchange schedule* pertaining to that *registered facility*;

*dispatch interval* means a five-minute interval within a *dispatch hour*;

*dispatch period* means, in respect of a *pre-dispatch schedule*, a *dispatch hour* and, in respect of a *real-time schedule*, a *dispatch interval*;

*dispatch scheduling error* means an error made by the *IESO* in the *real-time dispatch process*, in circumstances where these *market rules, market manuals* or any standard, policy or procedure established by the *IESO* pursuant to these *market rules* do not admit of any deviation or departure from such *real-time dispatch process*;

*dispatch workstation* means the communication equipment that is required to be installed and maintained in accordance with Appendix 2.2 for the purposes referred to in section 1.3.1 of Appendix 2.2 of Chapter 2;

*dispatchable load* means a *load facility* which is subject to *dispatch* by the *IESO* and whose level is selected or set based on the price of *energy* in the *real-time market*, and excludes *hourly demand response resources*;

*dispute outcome* means the outcome of a dispute resolution process that requires adjustments to one or more *settlement statements*, whether arising from good faith negotiations, mediations, or an *arbitrator's* order;

*dispute resolution panel* means the panel of the same name established by the *IESO* pursuant to the *Governance and Structure By-law*;

*distribute*, with respect to electricity, means to convey electricity at voltages of 50 kilovolts or less;

*distribution system* means a system for *distributing* electricity, and includes any structures, equipment or other things used for that purpose;

*distributor* means a person who owns or operates a *distribution system*;

*elapsed time to dispatch* is the minimum amount of time, in minutes, between the time at which a startup sequence is initiated for a *generation unit* and the time at which it becomes dispatchable by reaching its *minimum loading point*;

*Electricity Act, 1998* means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;

*Electricity and Gas Inspection Act* means the *Electricity and Gas Inspection Act*, R.S.C. 1985, c. E-4;

*electricity storage capacity* means the maximum power that an *electricity storage unit* or *electricity storage facility* can supply, usually expressed in megawatts (MWs);

*electricity storage energy rating* means the maximum amount of stored energy of an *electricity storage unit* or *electricity storage facility*, usually expressed in megawatt hours (MWhs);

*electricity storage facility* means a *facility* that is comprised of one or more *electricity storage units* and includes any structures, equipment or other things to support the functioning of its *electricity storage units*;

*electricity storage facility size* means the greater of the absolute values of the maximum injection and maximum withdrawal capabilities of the *electricity storage facility* expressed in either megawatts (MWs) or megavolt amperes (MVAs);

*electricity storage participant* means a person who owns or operates an *electricity storage facility*;

*electricity storage station service* means *station service* associated with an *electricity storage facility* comprising one or more *electricity storage units* each of which is a *registered facility* or which together have been aggregated as a *registered facility* in accordance with section 2.3 of Chapter 7;

*electricity storage unit* means the equipment used for the sole purpose of withdrawing electricity from the *electricity system*, storing that electricity, and re-injecting it, or a portion thereof, into the *electricity system*;

*electricity storage unit size* means the greater of the absolute values of the maximum injection and maximum withdrawal capabilities of the *electricity storage unit* expressed in either megawatts (MWs) or megavolt amperes (MVAs);

*electricity system* means the *integrated power system* and all *registered facilities* connected to that system;

*electronic funds transfer* means the transfer of funds between bank accounts by electronic means;

*electronic information system* means the internet or the real-time communication network that is used for the exchange of information referred to in section 1.4.1 of Appendix 2.2 of Chapter 2 via the *participation workstation*;

*embedded connection point* means the point of connection between a *facility* and a *distribution system*;

*embedded generator* means a *generator* within the *IESO control area* whose *generation facility* is not directly connected to the *IESO-controlled grid* but is instead connected to a *distribution system* and *embedded generation facility* shall be interpreted accordingly;

*embedded electricity storage facility* means an *electricity storage facility* within the *IESO control area*, not directly connected to the *IESO-controlled grid* but is instead connected to a *distribution system*;

*embedded electricity storage participant* means an *electricity storage participant* within the *IESO control area* whose *electricity storage facility* is not directly connected to the *IESO-controlled grid* but is instead connected to a *distribution system*;

*embedded load consumer* means a person that owns or operates an *embedded load facility*;

*embedded load facility* means a *dispatchable load* or a *non-dispatchable load* within the *IESO control area* that is not directly connected to the *IESO-controlled grid* but is instead embedded within a *distribution system*;

*embedded market participant* means a *market participant* within the *IESO control area* whose *facility* is not directly connected to the *IESO-controlled grid* but is instead connected to a *distribution system*;

*embedded RWM* means an *RWM* that is not a *primary RWM* and that measures flows that are also part of the flows measured by a *primary RWM*;

*emergency* means any abnormal system condition that requires remedial action to prevent or limit loss of a *transmission system* or generation supply that could adversely affect the *reliability* of the *electricity system*;

*emergency energy* means *energy* acquired by the *IESO* from another *control area* or provided by the *IESO* to another *control area* in order to maintain the *reliability* of the *IESO-controlled grid* or of a *transmission system* within such other *control area*;

*emergency operating state* means the state described in section 2.3 of Chapter 5;

*emergency preparedness plan* means a plan prepared by the *IESO* or required to be prepared by a *market participant* and submitted to the *IESO* in accordance with section 11.2.1 of Chapter 5;

*energy* means, in respect of the *market rules* other than Chapter 5 or 6, real *energy* only and may, in respect of Chapter 5 or 6, mean both real *energy* and reactive *energy* if the context so requires;

*energy market* means the *real-time market* for *energy* administered by the *IESO* pursuant to Chapter 7 in which *energy offers* and *energy bids* are cleared and a *market price* for *energy* is determined;

*enhanced combined cycle facility* means a combined cycle facility in which the steam utilized to generate electricity in one or more of the steam turbines is supplemented by recovery of waste heat from an independent industrial process/processes such as waste heat from the gas turbine exhaust of a natural gas compressor station, and qualifies for treatment as a Class 43.1 facility or has qualified as a Class 34 facility under the Income Tax Act, R.S.C. 1985, c.1. Combined cycle facilities are *generation facilities* in which electricity is generated by one or more combustion turbines or engines, and by one or more steam turbines for which steam is supplied by recovery of waste heat from one or more of the combustion turbines or engines;

*estimated market prices* means the price forecasts developed by the *IESO* for the purposes of determining *market participant maximum net exposures* and *prudential support obligations*;

*exemption* means an exclusion from one or more specific obligations or standards which are or may be imposed on the *exemption applicant* or in respect of the *exemption applicant's facilities* or equipment pursuant to the *market rules*, *market manuals* or from any standard, policy or procedure established by the *IESO* pursuant to the *market rules*;

*exemption applicant* means the *IESO* or a person, including a *market participant*, who submits an application to be exempted from an obligation or standard under the *market rules*;

*exemption application* means the material submitted by the *exemption applicant* pursuant to the practice and procedure established by the *IESO Board* for the processing of an *exemption*;

*event of default* means an event referred to in section 6.3.1 of Chapter 3;

*existing support* has the meaning ascribed thereto in section 5.2.5 of Chapter 2;

*export transmission service* means the *transmission service* relating to the use of the *IESO-controlled grid* for the transmission of *energy* out of the *IESO control area* into a neighbouring *transmission system* and in respect of which charges are required to be collected by the *IESO* pursuant to section 4 of Chapter 10;

*facility* means a *generation facility*, a *load facility*, an *electricity storage facility*, a *connection facility*, a *transmission system*, or a *distribution system*, located within the *IESO control area*, or any other equipment that is a component or part of the *electricity system*;

*federal metering requirements* means all requirements relating to *meters* and to *metering installations* imposed by or under the authority of an Act of Parliament;

*final recalculated settlement statement* means the *recalculated settlement statement* issued by the *IESO* in accordance with either section 6.3.6(b) or section 6.3.17(g) of Chapter 9;

*final settlement statement* means the *IESO's* final statement of the payments to be made by or to a *market participant* with respect to a given *billing period* and, in respect of the *settlement* of the purchase or of *transmission rights* in the *TR market*, the *IESO's* final statement of the payments to be made by a *TR holder* with respect to a given *TR auction* or the final statement of the payments to be made by a *TR holder* with respect to a given *billing period*;

*financial market participant* means a person that participates only in the *TR market*;

*flexible nuclear generation* means the component of a nuclear *generation facility* that has flexibility for reductions due to the operation of condenser steam discharge valves, and is made available at the sole discretion of the *flexible nuclear generator* to manoeuvre without requiring a unit to shutdown under normal operations, while respecting safety, technical, equipment, environmental and regulatory restrictions;

*flexible nuclear generator* means a *generator* whose *generation facility* has a component classified as *flexible nuclear generation*;

*forbidden region* means a predefined operating range within which a hydroelectric *generation facility* cannot maintain steady operation without causing equipment damage. A hydroelectric *generation facility* may have more than one *forbidden region*;

*force majeure event* means, in relation to a person, any event or circumstance, or combination of events or circumstances, (i) that is beyond the reasonable control of the person; (ii) that adversely affects the performance by the person of its obligations under these *market rules*; and (iii) the adverse effects of which could not have been foreseen and prevented, overcome, remedied or mitigated in whole or in part by the person through the exercise of diligence and reasonable care, and includes, but is not limited to, acts of war

(whether declared or undeclared), invasion, armed conflict or act of a foreign enemy, blockade, embargo, revolution, riot, insurrection, civil disobedience or disturbances, vandalism or act of terrorism; strikes, lockouts, restrictive work practices or other labour disturbances; unlawful arrests or restraints by governments or governmental, administrative or regulatory agencies or authorities; orders, regulations or restrictions imposed by governments or governmental, administrative or regulatory agencies or authorities unless the result of a violation by the person of a permit, licence or other authorization or of any *applicable law*; and acts of God including lightning, earthquake, fire, flood, landslide, unusually heavy or prolonged rain or accumulation of snow or ice or lack of water arising from weather or environmental problems; provided however, for greater certainty, that (i) the lack, insufficiency or non-availability of funds shall not constitute a *force majeure event*, (ii) an act of the *IESO* effected in accordance with the *market rules* or with the provisions of any form, policy, guideline or other document referred to in section 7.7 of Chapter 1 shall not constitute a *force majeure event* in respect of a *market participant*, and (iii) an act of a *market participant* effected in accordance with the *market rules* or with the provisions of any form, policy, guideline or other document referred to in section 7.7 of Chapter 1 shall not constitute a *force majeure event* in respect of the *IESO*;

*forced outage* means an unanticipated intentional or automatic removal from service of equipment or the temporary de-rating of, restriction of use or reduction in performance of equipment;

*forecasting entity* means the entity or entities contracted by the *IESO* to provide forecasting services relating to *variable generation*;

*forward period* means the period of time beginning three (3) *business days* following a *capacity auction*, to the commencement of an *obligation period*;

*funds transfer process* means the process by which funds are transferred between the respective bank accounts of the *IESO*, *market participants* and *transmitters*;

*generation capacity* means the maximum power that a *generation unit*, generation station or other electrical apparatus can supply, usually expressed in megawatts;

*generation facility* means a *facility* for generating electricity or providing *ancillary services*, other than *ancillary services* provided by a *transmitter* or *distributor* through the operation of a *transmission* or *distribution system*, and includes any structures, equipment or other things used for that purpose;

*generation station service* means *station service* associated with a *generating facility* comprising one or more *generation units* each of which is a *registered facility* or which together have been aggregated as a *registered facility* in accordance with section 2.3 of Chapter 7;

*generation unit* means the equipment that actually *generates* electricity, together with all related equipment essential to its functioning as a single entity;

*generator* means a person who owns or operates a *generation facility*;

*generator-backed capacity auction eligible import resource* means one or more *generator-backed import contributors*. No portion of the capacity that is being offered into the *IESO capacity auction* may be *over committed capacity*;

*generator-backed capacity import resource* means a *generator-backed capacity auction eligible import resource* with a *capacity obligation* received in a given *capacity auction* in accordance with the applicable *market manual*;

*generator-backed import contributor* means an existing in-service *generation facility* or *storage facility* associated with a *generator-backed capacity auction eligible import resource*, and which is located in a neighbouring *control area* that has an agreement with the *IESO* to allow for the trade of capacity, is able to qualify capacity in accordance with the applicable *market manual*, has been in operation for at least one year prior to the *capacity auction*, is a resource type that is currently enabled to participate in the *IESO's capacity auction*, and is able to transmit energy from the *generation facility* or the *storage facility* to the Ontario border;

*good utility practice* means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in North America during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgement in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, *reliability*, safety and expedition. *Good utility practice* is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in North America;

*Governance and Structure By-law* means the by-law of the *IESO* made pursuant to subsection 22(2) of the *Electricity Act, 1998*;

*gross MW* as related to active power output from an *electricity storage unit*, *generation unit*, or *facility*, is the total amount of active power produced by such unit or *facility* as measured at the unit's terminal or as measured as a sum of active power produced by the *facility's* individual units;

*gross MX* as related to reactive power output from an *electricity storage unit*, *generation unit*, or *facility*, is the total amount of reactive power produced by such unit or *facility* as measured at the unit's terminal or as measured as a sum of reactive power produced by the *facility's* individual units;

*high priority path facility* means a voice communication facility that meets the requirements of section 1.1.7 of Appendix 2.2 of Chapter 2;

*high-risk operating state* means the state described in section 2.4 of Chapter 5;

*historical reference price* means (i) in respect of an *investigated facility* which is not a hydroelectric *generation facility*, the unweighted average of the price contained in all *energy offers* or *energy bids* submitted by the *registered market participant* for that *investigated facility* and accepted by the *IESO*, as reflected in the most recent *market schedules* for that *investigated facility* for the *dispatch intervals* to which such *energy offers* or *energy bids* relate, during all relevant hours in the ninety days preceding the date for which an *investigated price* is submitted by the *registered market participant* for that *investigated facility* and (ii) in respect of an *investigated facility* which is a hydroelectric *generation facility*, the average *market price* weighted by the *market schedule* quantity during all relevant intervals in the thirty days preceding the date on which an *investigated price* was submitted by the *registered market participant* for that *investigated facility*;

*hourly demand response resource* means the *capacity auction resource* type that is a registered facility that has received a *capacity obligation* in a given *capacity auction* and is used by a *capacity market participant* to satisfy a *capacity obligation* on an hourly basis and is activated by the *IESO* in accordance with section 19.4 of Chapter 7;

*hourly markets* means those markets in which quantities and prices are determined using five-minute quantity and price information to derive composite hourly quantities and prices;

*hourly Ontario energy price* or HOEP means the arithmetic average of the uniform Ontario energy prices determined for each *dispatch interval* pursuant to section 8.3 of Chapter 7;

*hourly uplift* means the uplift payments that are determined for each hour based on *real-time market* results in that hour;

*IESO* or the *Independent Electricity System Operator* means the Independent Electricity System Operator, which is the continuation of the Independent Electricity Market Operator established under Part II of the *Electricity Act, 1998*;

*IESO adjustment account* means the *settlement account* operated by the *IESO* which is used for adjustments in *settlement* payments after a preliminary market *settlement* has been made;

*IESO-administered markets* means the markets established by the *market rules*;

*IESO administration charge* means the charge imposed by the *IESO* on *market participants* for the purpose of recovery by the *IESO* of its administration costs;

*IESO Board* means the Board of Directors of the *IESO*;

*IESO catalogue of reliability-related information* means the catalogue described in section 14.1.3 of Chapter 5;

*IESO control area* means that area, including the *IESO-controlled grid*, with respect to which the *IESO* is the *control area operator*;

*IESO-controlled grid* means the *transmission systems* with respect to which, pursuant to *operating agreements*, the *IESO* has authority to direct operations;

*IESO payment date* means the date on which the *IESO* is to make *settlement* payments to *market participants*;

*IESO prepayment account* means the *settlement account* operated by the *IESO* to hold payments by *market participants* prior to the relevant *market participant payment date* to which such payments relate;

*IESO settlement clearing account* means the *settlement account* operated by the *IESO* for holding market settlement payments made to the *IESO*;

*IESO Settlement Schedule & Payments Calendar or SSPC* means the *IESO*'s calendar of dates for providing settlement information to *market participants* and of dates on which settlement payments must be made by and to the *IESO*;

*information confidentiality catalogue* means the applicable *market manual* listing information and its *confidentiality classification* determined pursuant to section 5 of Chapter 3;

*installed capacity* or *ICAP* means the amount, in MW, of electricity submitted by a *capacity auction participant*, in accordance with the applicable *market manual*, during the *IESO*'s capacity qualification process that reflects a *capacity auction resource*'s maximum seasonal generation capability, load reduction capability, or import capability;

*instrument transformer* means an iron cored device that isolates a *meter* from the primary voltage while passing a correct value of the primary measured quantity to the *meter*;

*integrated power system* means the *IESO-controlled grid* and the structures, equipment and other things that connect the *IESO-controlled grid* with *transmission systems* and *distribution systems* in Ontario and *transmission systems* outside Ontario;

*interchange schedule data* means data pertaining to *interchange schedules*;

*interchange schedule* means the scheduled *intertie* flow between the *IESO-controlled grid* and a neighbouring *control area*;

*interconnected systems* means two or more individual *transmission systems* that have one or more *interties*;

*interconnected transmitter* means a *transmitter* whose transmission facilities are outside the Ontario *control area* and has entered into an *interconnection agreement* with the *IESO*;

*interconnection agreement* means an agreement between the *IESO* and another *control area operator*, *security coordinator* or *interconnected transmitter* regarding the operation of an *interconnection* with the *IESO-controlled grid*;

*interconnection* means a connection between the *IESO-controlled grid* and a *transmission system* outside the *IESO control area* that have one or more interconnecting *interties*;

*intermittent generator* means a *generation facility* located within the *IESO control area* that generates on an intermittent basis as a result of factors beyond the control of the *generator* unless limited by *dispatch*, and excludes a *variable generator*;

*intertie* means a transmission line which forms part of an *interconnection*;

*intertie congestion price (ICP)* means, in respect of a given *dispatch hour*, a price equal to the projected *market price* for *energy* or *operating reserve* for a given *intertie zone* minus the projected uniform *market price* for *energy* or *operating reserve* respectively, in the *IESO control area*, determined in accordance with section 8.1.1A of Chapter 7;

*intertie metering point* means a point within an *intertie zone*, at which the *IESO* obtains *interchange schedule data* for the purposes of the *settlement process*;

*intertie zone* means a market region designated by the *IESO* which is connected to the *IESO-controlled grid* by an *intertie*;

*investigated facility* means, in respect of an *investigated price*, the *constrained on facility* or the *constrained off facility* whose *registered market participant* submitted the *energy offer* or *energy bid* that contains that *investigated price*;

*investigated price* means a price contained in an *energy offer* or an *energy bid* submitted by the *registered market participant* for a *constrained on facility* or a *constrained off facility* that is the subject of investigation or of an inquiry pursuant to Appendix 7.6 of Chapter 7 in respect of a given *constrained on event* or a given *constrained off event*;

*invoice* means an invoice from the *IESO* to a *market participant* which sets forth a *settlement amount*;

*licence* means a licence issued by the Ontario Energy Board pursuant to the Ontario Energy Board Act, 1998;

*line connection service* means the *transmission service* relating to the use of the line connection assets of a *transmitter* whose *transmission system* forms part of the *IESO-controlled grid* and in respect of which charges are required to be collected by the *IESO* pursuant to section 5.1.1 of Chapter 10;

*load facility* means a *facility* that draws electrical *energy* from the *integrated power system*;

*load serving breaker* means a device, or sequence of devices, which provide a single path for *energy* to flow between a *connection facility* and a *load facility*;

*local area* has the meaning ascribed thereto in section 5.4.1 of Chapter 5;

*long-term auction* means a *TR auction* conducted by the *IESO* for the purchase of *long-term transmission rights* and that may also include the purchase of *short-term transmission rights*;

*long-term transmission right* means a *transmission right* that is valid for a period of one year;

*lower energy limit* means the lowest energy amount to which an *electricity storage unit* can be consistently discharged without damage beyond expected degradation from normal use;

*main/alternate metering installation* means a *metering installation* comprised of two *revenue meters* measuring the same electrical quantities;

*major dispatchable load facility* means a *dispatchable load facility* that includes a *dispatchable load* that is rated at 100 MVA or higher; that comprises *dispatchable loads* the ratings of which in the aggregate equals or exceeds 100 MVA; or that is re-classified as a *major dispatchable load facility* pursuant to section 1.5.1 of Appendix 2.2 of Chapter 2 or section 7.8.1 of Chapter 4;

*major electricity storage facility* means an *electricity storage facility* that includes an *electricity storage unit* with an *electricity storage unit size* rated at 100 MVA or higher; or that comprises multiple *electricity storage units*, the aggregated *electricity storage unit size* ratings of which equals or exceeds 100 MVA; or that is re-classified as a *major electricity storage facility* pursuant to section 1.5.1A of Appendix 2.2 of Chapter 2 or section 7.8.2A of Chapter 4;

*major generation facility* means a *generation facility* that provides *regulation*; that includes a *generation unit* that is rated at 100 MVA or higher; that comprises *generation units* the ratings of which in the aggregate equals or exceeds 100 MVA; or that is re-classified as a *major generation facility* pursuant to section 1.5.1 of Appendix 2.2 of Chapter 2 or section 7.8.1 of Chapter 4;

*margin call* means a notice given by the *IESO* to a *market participant* pursuant to section 5.4.2 of Chapter 2 when the *actual exposure* of that *market participant* equals or exceeds its *trading limit*;

*market assessment unit* means the entity established by the *IESO* pursuant to section 3.2.1 of Chapter 3;

*market commencement date* means the date on which the *real-time market* commences operation;

*market creditor* means a person, including a *market participant*, that is owed monies by the *IESO* as a result of sales made or contracts existing in the *IESO-administered markets*;

*market debtor* means a person, including a *market participant*, that owes monies to the *IESO* as a result of purchases made or contracts existing in the *IESO-administered markets*;

*market manual* means a *published* document that is entitled as such and that describes procedures, standards and other requirements to be followed, met or performed by *market participants*, the *IESO* and other persons in fulfilling their respective obligations under the *market rules*;

*market monitoring unit* means the entity that monitors the markets administered by a *control area operator* or *security coordinator*;

*market participant* means a person who is authorized by the *market rules* to participate in the *IESO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IESO-controlled grid* and includes a person that has received conditional authorization under section 4 of Chapter 2;

*market participant payment date* means the date on which *market participants* are to make settlement payments to the *IESO*;

*market participant settlement account* means an account designated by the particular *market participant* as the account from and into which *settlement* payments are made;

*market price* means the price of *energy* or *operating reserve* determined in the *real-time market* or the price of *auction capacity* determined in the *capacity auction* in accordance with the provisions of Chapter 7;

*market rules* means rules made under section 32 of the *Electricity Act, 1998*;

*market schedule* means the *dispatch* schedule which would have resulted in the absence of transmission constraints on the *IESO-controlled grid*;

*market surveillance panel* means the panel of the same name continued as a panel of the *OEB* in accordance with subsection 4.3.1(1) of the *Ontario Energy Board Act, 1998*;

*maximum continuous rating* means the gross or net maximum electrical output (in megawatts) which a *generation unit* or generating station is currently capable of producing continuously. This may include seasonal effects or other “long-term” deratings;

*maximum market clearing price* or *MMCP* means the maximum price that a *market participant* may be charged or paid for *energy*;

*maximum number of starts per day* is the number of times that a unit can be started within a *dispatch day*;

*maximum net exposure* means, in respect of a given *market participant*, the amount calculated from time to time by the *IESO* for that *market participant* in accordance with section 5.3 of Chapter 2;

*maximum operating reserve price* or *MORP* means the maximum price that can be determined or paid to a *market participant* for *operating reserve*;

*maximum regulation price* or *MRP* means the maximum price that a *market participant* may be charged or paid for *regulation*;

*mediator* means a qualified person appointed pursuant to section 2.6 of Chapter 3 to mediate a dispute;

*meter* means a device that measures and records active *energy*, reactive *energy* or both and shall be deemed to include the *data logger* but to exclude the *instrument transformers*;

*meter point* means, in respect of a *load facility* and of a *generation facility* or *electricity storage facility* that is injecting, with respect to which the current transformers are located on the output side of the *generation facility* or *electricity storage facility*, the physical location of the current transformers used to measure power flow and, in respect of a *generation facility* or an *electricity storage facility* with respect to which the current transformers are located on the grounded side of the *generation facility*, or the *electricity storage facility* the physical location of the voltage transformers;

*metered market participant* means, in respect of a *facility*, the *market participant* designated as the *metered market participant* for that *registered facility* in accordance with Chapter 9;

*metering data* means electrical quantities measured and recorded by a *metering installation*;

*metering database* means an information system established and maintained by the *IESO* in accordance with Chapter 6 for the purpose of storing *metering data*;

*metering installation* means any apparatus, including but not limited to an *RWM*, used to measure electrical quantities and includes the communication system by which *metering data* is transferred to the relevant telecommunications network through which *metering data* is transferred to the communication interface of the *metering database*;

*metering interval* means the five-minute period over which *metering data* is collected;

*metering registry* means the information system established and maintained by the *IESO* in accordance with Chapter 6;

*metering service provider* means a person that provides, installs, commissions, registers, maintains, repairs, replaces, inspects and tests *metering installations*;

*minimum generation block down time* is the minimum time, in hours, between the time a *generation facility* was last at its *minimum loading point* before de-synchronization and the time the *generation facility* reaches its *minimum loading point* again after synchronization;

*minimum generation block run-time* means the number of hours, specified by the *market participant*, that a *generation facility* must be operating at *minimum loading point*; in accordance with the technical requirements of the *facility*;

*minimum loading point* means the minimum output of *energy* specified by the *market participant* that can be produced by a *generation facility* under stable conditions without ignition support;

*minimum run-time* means the number of hours required for the *generation facility* to ramp from a cold start to *minimum loading point* plus *minimum generation block run-time*, specified by the *market participant*, in accordance with the technical requirements of the *facility*;

*minimum shut-down time* means the minimum time in hours between shutdown and start-up of a *generation unit*. This is measured from the time of de-synchronization from the *IESO*-controlled grid to the time of re-synchronization on start-up;

*minimum trading limit* means, in respect of a given *market participant*, the dollar amount determined from time to time by the *IESO* for that *market participant* in accordance with section 5.3.4 of Chapter 2;

*Minister* means the Minister of Energy, Northern Development and Mines or such member of the Executive Council that may be assigned the administration of the *Electricity Act, 1998* under the *Executive Council Act, 1990*;

*minor amendment*, in respect of the *market rules*, means an *amendment* to the *market rules* to correct a typographical or grammatical error, or to effect a change of a non-material procedural nature;

*minor dispatchable load facility* means a *dispatchable load facility* that includes a *dispatchable load* that is rated at 1 MVA or higher but less than 20 MVA; that comprises *dispatchable loads* the ratings of which in the aggregate equals or exceeds 1 MVA but is less than 20 MVA; or that is re-classified as a *minor dispatchable load facility* pursuant to section 1.5.2 of Appendix 2.2 of Chapter 2 or section 7.8.2 of Chapter 4;

*minor electricity storage facility* means an *electricity storage facility* that includes an *electricity storage unit* with an *electricity storage unit size* rated at 1 MVA or higher but less than 20 MVA; or that comprises multiple *electricity storage units*, the aggregated *electricity storage unit size* ratings of which equals or exceeds 1 MVA but is less than 20 MVA; or that is re-classified as a *minor electricity storage facility* pursuant to section 1.5.1A or 1.5.2A of Appendix 2.2 of Chapter 2 or section 7.8.2A or 7.8.2B of Chapter 4;

*minor generation facility* means a *generation facility* that includes a *generation unit* that is rated at 1 MVA or higher but less than 20 MVA; that comprises *generation units* the ratings of which in the aggregate equals or exceeds 1 MVA but is less than 20 MVA; or that is re-classified as a *minor generation facility* pursuant to section 1.5.1 or 1.5.2 of Appendix 2.2 of Chapter 2 or section 7.8.1 or 7.8.2 of Chapter 4;

*monthly confirmation notice* means the notice provided by the *IESO* to each *market participant* containing a summary of the *market participant's settlement* payments made during a calendar month and of the payments outstanding for that calendar month;

*neighbouring electricity system* means a system comprising generation, transmission and *load facilities* that is connected to the *electricity system* via one or more *interconnections*;

*NERC* means the North American Electric Reliability Corporation;

*NERC confidentiality agreement* means an agreement required to be executed between *NERC* and all *security coordinators* and, where applicable, *control area operators* and *interconnected transmitters* which ensures that required data is available and that the confidentiality of such data is protected and disclosed only to those responsible for maintaining the operational security of electricity supply in North America;

*net MW* as related to active power output from an *electricity storage unit*, *generation unit*, or *facility* is equal to the applicable unit or *facility's gross MW* output less the applicable unit or *facility station service MW* load and *MW losses* to the *defined meter point* for that applicable unit or *facility*;

net MX as related to reactive power output from an *electricity storage unit*, *generation unit*, or *facility* is equal to the applicable unit or *facility*'s *gross MX* output less the applicable unit or *facility station service MX* load and MX losses to the *defined meter point* for that applicable unit or *facility*;

*net transaction dollar amount* means an amount calculated in accordance with section 8.6.1.1 of Chapter 2;

*network service* means the *transmission service* relating to the use of the *IESO-controlled grid* for the transmission of *energy* and *ancillary services*, other than in respect of transactions to which *export transmission service* relates, and in respect of which charges are required to be collected by the *IESO* pursuant to section 3 of Chapter 10;

*no margin call option* means the option wherein a *market participant* elects, pursuant to Chapter 2, Section 5.6.4, to not be subject to *margin calls*;

*non-committed resource* means a *registered facility* that is neither - in whole or in part - rate-regulated, contracted to the *IESO*, contracted to the *OEFC*, or obligated as a resource backed capacity export to another jurisdiction during the entire duration of a given *obligation period*;

*non-defaulting market participant* means, for purposes of the imposition of the *default levy*, every *market participant* other than the *defaulting market participant* whose default in payment has triggered the imposition of the *default levy*;

*non-dispatchable load* means a load, within the *IESO control area*, that is not subject to *dispatch* by the *IESO* and whose level is not selected or set based on the price of *energy* in the *real-time market*;

*normal operating state* means the state described in section 2.2 of Chapter 5;

*normal priority path facility* means a voice communication facility that meets the requirements of section 1.1.8 of Appendix 2.2 of Chapter 2;

*notice of default levy* means a notice issued by the *IESO* to a *non-defaulting market participant* in accordance with section 8.2.3 or 8.4.1 of Chapter 2;

*notice of disagreement* means a notice provided by a *market participant* to the *IESO* in regard to a disagreement over a *preliminary settlement statement*;

*notice of dispute* has the meaning ascribed thereto in section 2.5.1 of Chapter 3;

*notice of intent to suspend* means a notice issued by the *IESO* to a *market participant* under section 6.3.3.1 of Chapter 3;

*notice of intention* means a notice issued by the *IESO* to a *market participant* under section 6.2B.2 of Chapter 3;

*notice to elect* shall be in such form as may be established by the *IESO* and means a written notice provided by the *market participant* to the *IESO* under section 6.2B.6 of Chapter 3;

*NPCC* means the Northeast Power Coordinating Council;

*OEB* or *Ontario Energy Board* means the Ontario Energy Board continued pursuant to section 4 of the Ontario Energy Board Act, 1998;

*OEFC* means the Ontario Electricity Finance Corporation established under Part V of the *Electricity Act, 1998*;

*obligation period* means the period of time for which a *capacity market participant* is required to fulfill its *capacity obligation* through the day-ahead commitment process and *energy market*;

*offer* means a statement of the quantities of a commodity that a seller will provide at different *market prices* for that commodity in the *real-time market*, the *procurement market*, or the *capacity auction*;

*one-day advance approval* means *IESO* approval of a *planned outage* of equipment no later than 14:00 EST on the *business day* prior to the scheduled start date of the *planned outage*;

*Ontario electricity emergency plan* means the plan describing the responsibilities of, and coordinating the actions of, *market participants* and the *IESO* for the purpose of alleviating the effects of an *emergency* on the *integrated power system*;

Ontario Energy Board Act, 1998 means the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Schedule B;

*OPA* or *Ontario Power Authority* means the Ontario Power Authority established under Part II.1 of the Electricity Act, 1998;

*Ontario power system restoration plan* means the detailed plan indicating how to re-energize the *IESO-controlled grid* or part of it in case the *IESO-controlled grid* or part of it collapses;

*operating agreement* means an agreement between the *IESO* and a *transmitter* which gives the *IESO* the authority to direct operations of the *transmitter's transmission system*, as contemplated in subsection 6(1)(b) of the Electricity Act, 1998 and in subsection 70(2)(k) of the Ontario Energy Board Act, 1998;

*operating deviation* means the deviation described in section 3.8 of Chapter 9 between the performance of a *registered facility* and the performance required of that *registered facility* for the provision of *operating reserve*;

*operating reserve* means *generation capacity*, *electricity storage capacity* or load reduction capacity which can be called upon on short notice by the *IESO* to replace scheduled *energy* supply which is unavailable as a result of an unexpected *outage* or to augment scheduled *energy* as a result of unexpected *demand* or other contingencies;

*operating reserve market* means a *real-time market* in which *offers* to supply each class of *operating reserve* are cleared consistent with the *energy offers* and *energy bids*;

*operating result* means the physical quantity or quantities measured or estimated by the *IESO* as delivered by a *registered facility* during the actual operation of the *electricity system*;

*outage* means the removal of equipment from service, unavailability for connection of equipment or temporary derating, restriction of use, or reduction in performance of equipment for any reason including, but not limited to, to permit the performance of inspections, tests or repairs on equipment, and shall include a *planned outage*, a *forced outage* and an automatic *outage*;

*over committed capacity* means capacity has been contracted to or otherwise obligated to be provided to the *IESO*, the OEFC, or another *control area operator* at any time during a given *obligation period* where the same capacity is included in a *cleared ICAP* held by a *capacity market participant* participating with a *generator-backed capacity import resource*;

*participation agreement* means the agreement required to be executed between the *IESO* and each *market participant* pursuant to section 3.1.2 of Chapter 2 and pursuant to which the *IESO* and the *market participant* agree, among other matters, to be bound by the *market rules*;

*participant technical reference manual* means the document entitled “Participant Technical Reference Manual” and *published* by the *IESO*;

*participant workstation* means the communication equipment that is required to be maintained by *market participants* in accordance with Appendix 2.2 for the purposes referred to in section 1.4.1 of Appendix 2.2 of Chapter 2;

*payment date* means the date upon which payment is due;

*per-start* means the act of achieving synchronization to the *IESO-controlled grid*, ramping to the *minimum loading point* and operating at the *minimum loading point* until the end of the *minimum generation block run-time*;

*performance adjustment factor* means a value assigned to a *capacity auction resource* based on its historical performance during a *capacity auction capacity test* activation in the relevant summer or winter *obligation period* and is calculated in accordance with the process set out in the applicable *market manual*;

*period of steady operation* means a predefined number of intervals (0, 1, or 2) for which a non *quick-start* generation *facility* must maintain steady operation before changing direction of its *energy* output (either increasing or decreasing). Such a *facility* is considered to be in steady operation if the magnitude of change between *dispatch instructions* for the last two intervals is less than 0.1 multiplied by its ramp rate capability between the two intervals;

*phasor measurement unit* or (*PMU*) is a device used to measure *synchrophasor* data. It can be a dedicated device, a protective relay or other device that is capable of providing *synchrophasor* data.

*physical bilateral contract* means an agreement between two parties, neither of which is the *IESO*, to trade a specified quantity of electricity at prices determined by the parties to the agreement, and pursuant to which the parties provide for the use of the *IESO settlement process* to account for *physical bilateral contract data*;

*physical bilateral contract data* means the data concerning a *physical bilateral contract* that a selling *market participant* provides to the *IESO* for purposes of *settlement*;

*physical bilateral contract quantity* means a quantity of *energy*, in MWh, that a *selling market participant* is selling to a *buying market participant* at a specified location and in a specified hour;

*physical market* means a *real-time market* and/or a *procurement market* administered by the *IESO* pursuant to Chapter 7;

*physical service* means the service of providing *energy* or *ancillary services*;

*PJM* means the Pennsylvania, New Jersey, Maryland Interconnection;

*planned capability factor* means the ratio of the *energy* which could have been delivered by a generating station with planned *generation unit* limitations in effect, to the *energy*, over the same period of time, that could have been delivered if the generating station had operated at its *maximum continuous rating*;

*planned outage* means an outage which is planned and intentional;

*pre-dispatch day* means the day prior to a *dispatch day*;

*pre-dispatch schedule* means an hourly schedule for the remaining hours of a *dispatch day* as determined by the *dispatch algorithm*;

*pre-existing facility or equipment* means a *facility* or equipment (i) that was or was part of a *facility* that was in existence on, and in respect of which a *licence* has been issued prior to, or on, the date of coming into force of Chapter 4 of the market rules (April 17, 2000); or was in service on the date of coming into force of Chapter 4 of the *market rules* (April 17, 2000); and (ii) in respect of which an *exemption* has been applied for or granted relating to any of the following standards or obligations: (a) the technical requirements set out in Appendix 2.2 of Chapter 2 relating to voice communication, monitoring and control but not those relating to the *participant workstation* or *dispatch workstation*; (b) the technical requirements set out in Section 12 of Chapter 5 relating to communications; and (c) the grid *connection* and data monitoring requirements set out in Chapter 4 other than the requirements set forth in sections 6.1.5 to 6.1.21 of that Chapter.

*preliminary settlement statement* means the *IESO's* preliminary statement of the payments to be made by or to a *market participant* with respect to a given *billing period* and, in respect of the *settlement* of the purchase of *transmission rights* in the *TR market*, the *IESO's* preliminary statement of the payments to be made by a *TR holder* with respect to a given *TR auction* or the preliminary statement of the payments to be made to a *TR holder* with respect to a given *billing period*;

*price-quantity pair* means a price and an associated quantity that define a “step” in an *offer* or *bid* curve or an *EFM offer* or *EFM bid* curve;

*primary RWM* means an *RWM* that measures *meter data* regarding flows directly into or from the *IESO-controlled grid*;

*procurement market* means any one of the markets operated by the *IESO*, pursuant to Chapter 7, for contracted *ancillary services*, including *regulation*, *voltage control* and *reactive support services* and *black-start capability*, and for *reliability must-run contracts*;

*prudential support* means the obligations owed to the *IESO* by a third party and other forms of security or support for the financial obligations of a *market participant*, in the form set forth in section 5.7 of Chapter 2;

*prudential support obligation* means, in respect of a *market participant*, an amount equal to that *market participant's maximum net exposure* less any allowable reductions calculated in accordance with section 5.8 of Chapter 2;

*pseudo-unit* means a combined cycle *generation facility* that is modeled based on a gas-to-steam relationship between generation units, and which is comprised of one combustion turbine generation unit and a share of one steam turbine generation unit at the same combined cycle *generation facility*;

*publish* means, in respect of a document or information, to place that document or information on the *IESO's* web site, and publication shall be interpreted accordingly;

*quarterly advance approval* means *IESO* approval of a *planned outage* of equipment no later than the end of the month that is one month prior to the start of a six month period, starting with the next calendar quarter, in which the *planned outage* is scheduled to start;

*quick start facility* means a *generation facility* or an *electricity storage facility* whose electrical energy output can be provided to the *IESO-controlled grid* within 5 minutes of the *IESO's* request and is provided by equipment not synchronized to the *IESO-controlled grid* when the request to start providing energy is made;

*radial intertie* means a transmission line or lines which form part of the *IESO-controlled grid* and that: (a) connect an isolated portion of the *IESO control area* to an adjacent *control area*; or (b) connect the *IESO control area* to an isolated portion of an adjacent *control area*, in either case where the connected portion cannot, in accordance with an *operating agreement* or an *interconnection agreement*, be simultaneously connected to either another portion of one such *control area* or to a third *control area*;

*reactive support service* means a service provided by a *market participant* so as to allow the *IESO* to maintain the reactive power levels around the *IESO-controlled grid*;

*real-time dispatch process* is the process described in sections 7.1, 7.2, 7.3, and 7.4 of Chapter 7, when applied (i) while the *IESO-controlled grid* is in a *normal operating state*; and (ii) at a time other than when *market operations* have been suspended or *administrative prices* have been implemented;

*real-time market* means any one of the markets operated by the *IESO* for energy, operating reserve pursuant to Chapter 7;

*real-time schedule* means, in respect of a *registered facility* that is not a *boundary entity*, a *dispatch schedule* for a *dispatch interval* as determined by the *dispatch algorithm* and, in respect of a *registered facility* that is a *boundary entity*, the *interchange schedule* pertaining to that *registered facility*;

*recalculated settlement statement* means the *IESO's* recalculated statement of the payments to be made by or to a *market participant* with respect to a given *billing period* and, in respect of the *settlement* of the purchase and sale of *transmission rights* in the *TR market*, the *IESO's* recalculated statement of the payments to be made by or to a *TR holder* with respect to a given *TR auction* or the recalculated statement of the payments to be made by or to a *TR holder* with respect to a given *billing period*;

*record of review* means the document issued by the *IESO* to a *restoration participant* pursuant to section 11.4.1 of Chapter 5;

*reference bus* - the *RWM* on the basis of which the *IESO* determines, where applicable in accordance with section 3.6.2 of Chapter 9, the *energy market price* for the purpose of determining the losses used in calculating contributions to the *transmission charge reduction fund*;

*reference price* means one or more of (i) a *historical reference price*; (ii) a price equal to the *market price* for *energy* determined for the *dispatch interval* in respect of which an *investigated price* was submitted; and (iii) such other *reference price* as may be established by the *IESO Board* pursuant to section 1.3.4 of Appendix 7.6 of Chapter 7;

*registered facility* means, in respect of a *facility*, a *facility* which is capable of supplying or withdrawing *physical services*, and which is registered with the *IESO* and means, in respect of a *boundary entity*, a *boundary entity* which is comprised of resources capable of supplying or withdrawing *physical services*, and is registered with the *IESO*;

*registered market participant* means a *market participant* that is registered with the *IESO* to submit *dispatch data* with respect to a *registered facility*;

*registered wholesale meter* or *RWM* means a *meter* that meets the criteria specified in Chapter 6 and that is registered with the *IESO*. References to a *registered wholesale meter* or *RWM* within Chapter 9 also include *meters* in *metering installations* whose registration has expired but the *IESO* determines that the continued use of the *metering installation* is necessary for the efficient operation of the *IESO-administered markets*;

*regulation* means the service required to control power system frequency and maintain the balance between load and generation;

*release notification* means in respect of a *variable generator* that is a *registered market participant*, a notification issued by the *IESO* providing that *energy* may be supplied from the *variable generation facility* to the *IESO-controlled grid* as ambient fuel conditions allow until a *dispatch instruction* is sent;

*reliability* means, in respect of electricity service, the ability to deliver electricity within *reliability standards* and in the amount desired and means, in respect of the *electricity system*, the *IESO-controlled grid*, the *integrated power system* or a *transmission system*, the ability of the *electricity system*, the *IESO-controlled grid*, the *integrated power system* or that *transmission system* to operate within *reliability standards* in an *adequate* and secure manner;

*reliability must-run contract* means a contract between the *IESO* and a *registered market participant* or prospective *registered market participant* for a *registered facility* that is or will be a *generation facility*, an *electricity storage facility*, a *dispatchable load facility* or a *boundary entity*, which allows the *IESO* to call on that *registered market participant's* or

prospective *registered market participant's registered facility* in order to maintain reliability of the *IESO-controlled grid*;

*reliability must-run resources* means the resources described in section 4.8.1 of Chapter 5; these may also be referred to as *must-run resources*;

*reliability standards* means the criteria and standards, including an amendment to a standard or criterion, relating to the *reliable* operation of the *integrated power system* established by a *standards authority*, and declared in force subject to Chapter 5, sections 1.2.6 and 1.2.7, together with those set forth in these *market rules* or otherwise established by the *IESO* in accordance with these *market rules* and which has not otherwise been stayed or revoked and referred back to the *IESO* for further consideration by the *Ontario Energy Board*;

*remaining duration of service* means the remaining time it is expected that an *electricity storage facility* can continue injecting, or withdrawing, until it reaches its *lower energy limit*, or *upper energy limit*, respectively, assuming the *electricity storage facility* continues operating at its quantity offered or bid;

*remedial action schemes* or *RAS* means an automatic protection system designed to detect abnormal or predetermined system conditions, and take corrective actions other than and/or in addition to the isolation of faulted components to maintain system *reliability*. The term special protection system or SPS shall have the same meaning;

*request for connection assessment* means a request for the approval of a new *connection* to the *IESO-controlled grid* or of the modification of an existing *connection* to the *IESO-controlled grid* made pursuant to section 6.1.6 of Chapter 4;

*Request for Segregation* means a request from a *registered market participant* for approval to operate its *registered facility* in a *segregated mode of operation*;

*reserve target* means the minimum required MWs of any class of reserve required to satisfy reserve requirements;

*respondent* means a person against whom a complaint is made in a *notice of dispute*, a *response* or a response to a cross-claim;

*response* has the meaning ascribed thereto in section 2.5.4 of Chapter 3;

*response to the notice of intention* shall be in such form as may be established by the *IESO* and means a notice provided by the *market participant* under section 6.2B.3 of Chapter 3;

*restoration participant* means a *market participant* who has been identified by the *IESO* as having equipment or *facilities* that: (i) are directly connected to the *IESO-controlled grid* and (ii) affect the restoration process as set out in the *Ontario power system restoration plan*;

*restoration participant attachment* means the attachment to the *Ontario power system restoration plan* required to be prepared by a *restoration participant* and submitted to the *IESO* in accordance with section 11.3.5 of Chapter 5;

*retail*, with respect to electricity, means (a) to sell or offer to sell electricity to a consumer; (b) to act as agent or broker for a retailer with respect to the sale or offering for sale of electricity; or (c) to act or offer to act as an agent or broker for a *consumer* with respect to the sale or offering for sale of electricity;

*retailer* means a person who *retails* electricity;

*revenue meter* means a *meter* that is the designated source of *metering data* to be used by the *IESO* for *settlement* purposes in accordance with the *VEE process*;

*review notice* has the meaning ascribed thereto in section 4.4.2 of Chapter 3;

*reviewable decision* means a decision of the *IESO* referred to in section 2.1.2, 4.4.3, 5.1.12, 5.3.9 or 6.1.5 of Chapter 6 and sections 3.2A.1, 3.2A.5.3, 3.2A.10, 3.2B.5.3, 3.2B.7 or 3.2B.10 of Chapter 5;

*RSS commencement date* means the date on which market rule amendment MR-00475-R00 comes into effect;

*schedule of record* means the last valid set of results from the day-ahead commitment process used by the *IESO* for the application of constraints and the calculation of various day-ahead *settlement amounts*;

*second contingency loss* means an unexpected loss of a second component from the *electricity system* after the first component is already lost;

*secretary* means the secretary of the *dispute resolution panel* appointed pursuant to the *Governance and Structure By-law*;

*security* means the ability of the *electricity system*, the *IESO-controlled grid*, the *integrated power system* or a *transmission system* to withstand sudden disturbances including, without limitation, electric short circuits or unanticipated loss of equipment or components;

*security coordinator*, in respect of the *IESO-controlled grid*, means the *IESO* and, in respect of another *transmission system*, means the person responsible for coordinating the security of that *system* with that of other *transmission systems*;

*security limits* include operating *electricity system* stability limits and thermal ratings;

*segregated mode of operation* means an electrical configuration where a portion of the *IESO-controlled grid* is used to *connect* one or more *registered facilities* that are *generation*

*facilities* to a neighbouring *control area* using a *radial intertie* for the purposes of delivering electricity or *physical services* to such *control area*;

*self-assessed trading limit* means, in respect of a given *market participant*, the dollar amount determined by the *market participant* in accordance with section 5.3.2 of Chapter 2;

*self-schedule* means an hourly schedule specified by a *self-scheduling generation facility* or a *self-scheduling electricity storage facility*, and *self-scheduling* has an analogous meaning;

*self-scheduling electricity storage facility* means an *electricity storage facility* located within the *IESO control area* that can operate independently of *dispatch instructions* from the *IESO*, except for the provision of *regulation* services in respect of which it shall follow *dispatch instructions*;

*self-scheduling generation facility* means a *generation facility* located within the *IESO control area* that can operate independently of *dispatch instructions* from the *IESO*;

*selling market participant* means a *market participant* who is *selling energy* under a *physical bilateral contract*;

*settlement* means the process of transferring payments from those who are required to make payment to those who are required to be paid under the *market rules*;

*settlement account* means a bank account held by the *IESO*, a *market participant* or a *transmitter* pursuant to the *settlement* rules set forth in Chapters 8 and 9;

*settlement amount* means any amount of money to be paid by or to a *market participant*, determined in accordance with Chapter 9;

*settlement hour* means a period of one hour which corresponds to a particular *dispatch hour* for which *metering data* determined in accordance with Chapter 6 and *physical market prices* for services calculated pursuant to Chapter 7 are to be used to calculate the *settlement* debits and credits of *market participants*;

*settlement process* means any process administered by the *IESO* to effect *settlement*;

*settlement statement* means a *preliminary settlement statement*, a *final settlement statement*, and/or a *recalculated settlement statement*;

*settlement statement re-calculation* means the re-calculation of a *final settlement statement* during the attempted resolution of a *settlement* dispute;

*short-term auction* means a *TR auction* conducted by the *IESO* for the purchase of *short-term transmission rights*;

*short-term transmission right* means a *transmission right* that is valid for a period of one month;

*significant dispatchable load facility* means a *dispatchable load facility* that includes a *dispatchable load* that is rated at 20 MVA or higher but less than 100 MVA; that comprises *dispatchable loads* the ratings of which in the aggregate equals or exceeds 20 MVA but is less than 100 MVA; or that is re-classified as a *significant dispatchable load facility* pursuant to section 1.5.1 or 1.5.2 of Appendix 2.2 of Chapter 2 or section 7.8.1 or 7.8.2 of Chapter 4;

*significant electricity storage facility* means an *electricity storage facility* that includes an *electricity storage unit* with an *electricity storage unit size* rated at 20 MVA or higher but less than 100 MVA; or that comprises multiple *electricity storage units*, the aggregated *electricity storage unit size* ratings of which equals or exceeds 20 MVA but is less than 100 MVA; or that is re-classified as a *significant electricity storage facility* pursuant to section 1.5.1A or 1.5.2A of Appendix 2.2 of Chapter 2 or section 7.8.2A or 7.8.2B of Chapter 4;

*significant generation facility* means a *generation facility* that includes a *generation unit* that is rated at 20 MVA or higher but less than 100 MVA; that comprises *generation units* the ratings of which in the aggregate equals or exceeds 20 MVA but is less than 100 MVA; or that is re-classified as a *significant generation facility* pursuant to section 1.5.1 or 1.5.2 of Appendix 2.2 of Chapter 2 or section 7.8.1 or 7.8.2 of Chapter 4;

*single metering installation* means a *metering installation* comprised of one *revenue meter*;

*small distributor* means, a *distributor* with a projected *energy* consumption less than or equal to 0.25% of projected total system *energy* on an annual basis as determined by the *IESO* in accordance with the applicable *market manual*;

*small electricity storage facility* means an *electricity storage facility* that is comprised solely of an *electricity storage unit* with an *electricity storage unit size* rated at less than 1 MVA or that comprises multiple *electricity storage units*, the aggregated *electricity storage unit size* ratings of which is less than 1 MVA or that is re-classified as a *small electricity storage facility* pursuant to section 1.5.2A of Appendix 2.2 of Chapter 2 or section 7.8.2B of Chapter 4;

*small generation facility* means a *generation facility* that is comprised solely of a *generation unit* rated at less than 1 MVA or of *generation units* the ratings of which in the aggregate is less than 1 MVA or that is re-classified as a *small generation facility* pursuant to section 1.5.2 of Appendix 2.2 of Chapter 2 or section 7.8.2 of Chapter 4;

*speed no-load cost* is the hourly-value offered by the *registered market participant* to maintain a *generation facility* synchronized with zero net *energy* injected into the *IESO*-controlled grid;

*SSPC* means the *IESO* Settlement Schedule & Payments Calendar;

*standards authority* means NERC, NPCC, any successors thereof, and any other agency or body that approves standards or criteria applicable both in and outside Ontario relating to the *reliability of transmission systems*;

*start-up cost* is the value offered by the *registered market participant* to bring an off-line resource to its *minimum loading point*;

*start-up time* means the time in hours required to bring a *generation unit* or *electricity storage unit* on line. This is measured from the time of receiving a request to start the *generation unit* or *electricity storage unit* to the time of synchronization;

*start volume* means the incremental volume of fuel consumed by a *generation facility*, on a per registered resource basis, for an eligible real-time generation cost guarantee submission from either: (i) the point of ignition to the *minimum loading point* of the submitting eligible *registered facility*, on a per registered resource basis; or (ii) the point of synchronization to the *minimum loading point* of the submitting eligible *registered facility*, on a per registered resource basis, if operating in a full speed no-load state for more than five minutes in advance of synchronization to the *IESO-controlled grid*;

*state of charge* means the percentage of which an *electricity storage unit* is charged relative to the maximum registered *electricity storage energy rating* of the *electricity storage unit*;

*station service* means *energy* withdrawn from the *IESO-controlled grid* to power the on-site maintenance and operation of *transmission facilities*, *generation facilities*, *electricity storage facilities* and *connection facilities* located within the *IESO control area* but excludes *energy* consumed in association with activities which could be ceased or moved to other locations without impeding the normal and safe operation of the *facility* in question;

*Statutory Powers Procedure Act* means the *Statutory Powers Procedure Act*, R.S.O. 1990, c.S.22;

*supervisory control and data acquisition* or (*SCADA*) is a computer system for gathering and analyzing real time data.

*suspended market participant* means a market participant that is the subject of a suspension order;

*suspension order* means an order issued pursuant to section 6.3A of Chapter 3 suspending all or part of the rights of a *market participant* to participate in the *IESO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IESO-controlled grid*;

*synchrophasor* is a phasor representing the fundamental of an AC signal whose magnitude is the root mean square (RMS) value of the fundamental amplitude and angle is the difference between the signal fundamental angle and the phase angle of a cosine at the nominal signal frequency that is synchronized to the Coordinated Universal Time (UTC) time.

*system-backed capacity auction eligible import resource* means a *capacity auction resource* associated with a *boundary entity* that is available to qualify capacity that a neighbouring *control area operator* is willing to allocate to Ontario, if a *capacity obligation* is secured, for the duration of the applicable *obligation period*, which capacity would be deemed to be supplied from the entire system of the *neighbouring control area*. The allocated capacity must not otherwise be – in whole or in part – contracted to or otherwise obligated to be provided to the *IESO*, the *OEFC*, or another *control area operator* during the entire duration of a given *obligation period*;

*system-backed capacity import resource* means a *system-backed capacity auction eligible import resource* with a *capacity obligation* received in a given *capacity auction* in accordance with the applicable *market manual*;

*target capacity* means the amount of *auction capacity* which the *IESO* seeks to acquire through a *capacity auction*;

*technical feasibility exception* or *TFE* is a temporary exception from compliance with certain requirements of *NERC reliability standards* relating to critical infrastructure in accordance with Ontario-adapted *NERC* procedures for processing *TFEs*;

*technical panel* means the panel of the same name established pursuant to the *Governance and Structure By-law*;

*ten-minute operating reserve* means those *operating reserves* required to respond fully within ten minutes of being called upon by the *IESO*;

*terminated market participant* means a market participant that is the subject of a termination order;

*termination order* means an order issued pursuant to section 6.4 of Chapter 3 terminating the rights of a *market participant* to participate in the *IESO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IESO-controlled grid*;

*TFE applicant* means (i) a *market participant* who applies to the *IESO* for a *TFE*; or (ii) a person applying to become a *market participant* who applies to the *IESO* for a *TFE*; or (iii) the *IESO*, in the event the *IESO* requires a *TFE*;

*TFE application* means an application for the approval, amendment, termination, or transfer of a *TFE* pursuant to section 3.2A of Chapter 5;

*thirty-minute operating reserve* means those *operating reserves* required to respond fully within thirty minutes of being called upon by the *IESO*;

*three-day advance approval* means *IESO* approval of a *planned outage* of equipment no later than 16:00 EST on the third *business day* prior to the scheduled start date of the *planned outage*;

*tieline* means a transmission line which forms part of an *interconnection*; see *intertie*;

*TR auction* means an auction conducted by the *IESO* for the purchase of *transmission rights*;

*TR bid* means a statement of the quantities and prices at which a buyer is willing to purchase *transmission rights* in a *TR auction*;

*TR bidder* means a person that submits a *TR bid* to purchase a *transmission right* in a *TR auction*;

*TR clearing account* means the *settlement account* or fund established by the *IESO* and described in section 4.18.1 of Chapter 8;

*TR holder* means, in respect of a given *transmission right*, the *TR participant* recognized by the *IESO*, in accordance with section 4.3.1 or 4.9.5 of Chapter 8, as the *TR participant* that has the right to receive all *settlement amounts* under the *transmission right* or, in the case of a *long-term transmission right*, the right to receive all *settlement amounts* relating to one or more periods of one month under the *long-term transmission right*;

*TR lamination* means a price and an associated quantity that define a “step” in a *TR bid*;

*TR market* means the market operated by the *IESO* for *transmission rights* pursuant to section 4 of Chapter 8;

*TR market clearing price* means, in respect of a given *transmission right*, the market clearing price for the *transmission right* established in accordance with section 4.15 of Chapter 8;

*TR market deposit* means the deposit required to be made by a *TR participant* pursuant to section 4.8.2 of Chapter 8 as a condition of being a *TR bidder* in a *TR auction*;

*TR participant* means a person that has been authorized by the *IESO* to participate in the *TR market* in accordance with section 4.8 of Chapter 8;

*TR settlement price* means, in respect of a *TR zone*, the *energy market price* for one MWh of *energy* in that *TR zone*, determined in accordance with section 3.1.3 of Chapter 9;

*TR zone* means the *IESO control area* or an *intertie zone* in respect of which the *IESO* calculates prices for *energy* for *settlement purposes* in the *real-time markets*;

*trading day* means a period from midnight EST to the following midnight EST within a *billing period*;

*trading limit* means, in respect of a given *market participant*, the dollar amount determined from time to time by the *IESO* for that *market participant* in accordance with sections 5.3.5 or 5.3.6 of Chapter 2;

*trading week* means seven consecutive *trading days* commencing on and including a Sunday;

*transformation connection service* means the *transmission service* relating to the use of the transformation connection assets of a *transmitter* whose *transmission system* forms part of the *IESO-controlled grid* and in respect of which charges are required to be collected by the *IESO* pursuant to section 6.1.1 of Chapter 10;

*transitional scheduling generator* means a *generation facility* located within the *IESO* control area that is under contract with *OEFC* effective April 1, 1999 and surviving the *market commencement date*, and is registered as such in accordance with the applicable sections of Chapter 7;

*transmission charge reduction fund* means the fund whose net proceeds are used to offset the charges levied on *market participants* for the recovery of the sunk and other costs of operating the *transmission systems* that make up the *IESO-controlled grid*;

*transmission customer* means a person, including but not limited to a *market participant*, that is required to pay for one or more *transmission services* pursuant to the terms of a rate order issued by the *OEB* to a *transmitter* whose *transmission system* forms part of the *IESO-controlled grid*;

*transmission right* or *TR* means a contractual right to receive a *settlement amount* determined in the manner described in section 4.4 of Chapter 8;

*transmission service* means any one or more of *network service*, *export transmission service*, *line connection service*, *transformation connection service* and such other service as may be approved by the *OEB* and in respect of which charges are required to be collected by the *IESO* pursuant to section 6A.1.1 of Chapter 10;

*transmission services charges* means all charges administered by the *IESO* to recover the costs of *transmission services*;

*transmission services settlement account* means a *settlement account* operated by a *transmitter* for the purpose of receiving payment of *transmission services charges* from the *IESO*;

*transmission station service* means *station service* associated with transformers, capacitors, switchgear, protection systems and control systems that are part of a *transmission facility* and that do not *connect generation facilities, electricity storage facilities, load facilities or distribution facilities* to the *IESO-controlled grid*;

*transmission system* means a system for transmitting electricity, and includes any structures, equipment or other things used for that purpose;

*transmission tariff* means a tariff fixed or authorised by the OEB in a rate order issued pursuant to the *Ontario Energy Board Act, 1998* with respect to the provision of *transmission services*;

*transmission transfer capabilities* means the measure, in terms of electric power expressed in megawatts, of the ability of *interconnected* electric systems to move or transfer power in a reliable manner from one area to another over all transmission lines or paths between those areas under specified system conditions.;

*transmitter* means a person who owns or operates a *transmission system*;

*unattended* means not *attended*;

*unconstrained IESO-controlled grid model* means the model capable of being used by the *dispatch algorithm* and described in section 4.5.1.1 of Chapter 7;

*unforced capacity* or *UCAP* means the maximum amount, in MW, that a *capacity auction participant* is able to *offer* for a *capacity auction resource* for an applicable *obligation period*, as calculated pursuant to section 18.2A.1 of Chapter 7;

*upper energy limit* means the highest energy amount to which an *electricity storage unit* can be consistently charged without damage beyond expected degradation from normal use;

*urgent amendment*, in relation to the *market rules*, means an *amendment* to the *market rules* made in accordance with section 34 of the *Electricity Act, 1998* on an urgent basis for any of the purposes noted in subsection 34(1) of the *Electricity Act, 1998*;

*urgent rule amendment committee* means the committee referred to in the *Governance and Structure By-law* and established by the Board of Directors of the *IESO* under the authority of the *Governance and Structure By-law* for the purpose of making *urgent amendments* to the *market rules*;

*variable generation* means all wind and solar photovoltaic resources with an installed capacity of 5MW or greater, or all wind and solar photovoltaic resources that are directly connected to the *IESO-controlled grid*;

*variable generator* means a *generator* whose *generation facility* is classified as *variable generation*;

*VEE process* means the process described in Chapter 9 and used to validate, estimate and edit raw *metering data* to produce final *metering data* or to replicate missing *metering data*;

*VEE standard* means that part of the *market manual* pertaining to *metering* entitled *Validating, Estimating, and Editing – Requirements for Validating, Estimating, and Editing Of Revenue Metering Data in the IESO-Administered Market*;

*voltage control service* means a service provided by a *market participant* so as to allow the *IESO* to maintain the voltage around the *IESO-controlled grid*;

*Voltage reduction capability* means the capability to reduce demand by lowering a customer's voltage. Within the *IESO-administered markets*, this capability is specifically defined as being able to reduce *distribution* or secondary voltages by 3% and 5%, and having the controlling authority to be able to effect that voltage reduction within five minutes of receipt of the direction from the *IESO* to do so;

*wear and tear* means, for the purposes of the Real-Time Generation Cost Guarantee Program, the useful life consumption of certain parts or equipment of a *generation facility* that would occur as a result of operation of the *generation facility* in accordance with prudent industry practices and original equipment manufacturer guidelines of the *generation facility*. The useful life consumption of certain parts or equipment of a *generation facility* manifests from applicable physical mechanisms (such as creep and fatigue) during different operating conditions (e.g. start-up, steady state operation, transients and shutdown);

*weekly advance approval* means *IESO* approval of a *planned outage* of equipment no later than 16:00 EST on the second Friday prior to the start of the week, starting Monday, in which the *planned outage* is scheduled to start;

*wholesale consumer* means a person who purchases electricity or *ancillary services* in the *IESO-administered markets* or directly from another person;

*wholesale customer* means a *market participant* who takes supply from the *IESO-controlled grid* for its own consumption or for sale;

*wholesale seller* means a person who sells electricity or *ancillary services* through the *IESO-administered markets* or directly to another person;