

**DECISION OF THE INDEPENDENT PANEL - Exemption Application No. 01-1224**

**Exemption Application:** Application No. 01-1224 made by Cardinal Power of Canada, L.P. (“Cardinal Power”).

**Panel Hearing the Application:** James C. Baillie and Peter Jones

**Date Application Heard:** March 3, 2004

**Market Rules from which Exemption is Requested:** Appendix 4.15 and Appendix 4.19 of the Market Rules

**Decision:** Cardinal Power is granted an exemption from Appendix 4.15 and Appendix 4.19 of the Market Rules on the terms and conditions specified herein.

**Effective Date of the Exemption:** March 8, 2002, the date the exemption application was received.

**Conditions of the Exemption:** The IMO has analysed this situation and has suggested a compromise, rather than have Cardinal Power install telemetry at their generator outputs as required by the Market Rules. Instead, Cardinal Power could provide a forecast (termed “Cardinal Net”) of their generation that was net of the industrial load. This would result in a forecast that corresponds with the current telemetered value available at the Remote Switching Station. Cardinal Power has agreed to the proposed solution and as of October 3, 2003, is providing Cardinal Net for their hourly generation schedules.

The exemption is granted on the following conditions:

1. Cardinal Power registration is limited to operation as a transitional scheduling generator or self-scheduling generator. Should Cardinal Power change its role in the IMO-administered markets, then new requirements for data quantities would prevail and this exemption would cease to be in effect.
2. Should operating conditions or system conditions affecting this market participant’s facilities change, then this exemption would be reconsidered.

*Megawatts (MW) and MegaVars (MX) Quantities*

3. Cardinal Power continues to provide Cardinal Net dispatch data to the IMO for their generators net of the industrial load withdrawing energy from their 115 kV bus;
  - (a) until such time as MW and MX quantities are required for reliability limits; and
  - (b) until there is a material change in the configuration of the load and generation at the Cardinal Power 115 kV bus.

### *Voltage (kV)*

4. The voltage portion of the exemption shall be reconsidered at such time as:
  - (a) the provision of data quantities become part of deriving or monitoring reliability limits, where they were not originally used for this purpose; or
  - (b) until Cardinal Power becomes involved in voltage support requirements or a Voltage Support Contract requiring kV quantities.

### *AVR/PSS status*

5. Until the facility is compliant with the requirements in this exemption recommendation, Cardinal Power shall immediately report a change in the status of the AVR/PSS to the IMO by phone.

### *High Performance Telemetry*

6. The IMO will accept medium performance in lieu of high performance for the life of the equipment for all the telemetry required of Cardinal Power until such time as operating conditions for this market participant change or system conditions affecting this market participant change.

### *General*

7. Notwithstanding the granting of any exemptions, Cardinal Power shall continue to be liable for the breach of any reliability standards.

### **Term of the Exemption:**

#### *MW, MX, kV and Performance*

For the life of the equipment subject to reconsideration conditions.

#### *AVR/PSS*

The exemption will expire two years from the date of the Panel decision for the provision of the AVR/PSS status.

If there were a change in the registration of Cardinal Power as a transitional scheduling generator (or self-scheduling generation facility), then this exemption would expire.

### **Reconsideration of the Exemption:** The IMO may reconsider/remove the exemption:

1. at such time as the provision of data quantities become part of deriving or monitoring reliability limits, where they were not originally used for this purpose, or until Cardinal Power becomes involved in voltage support requirements or a Voltage

Support Contract requiring kV quantities;

2. if there were a material change in the configuration of the load and generation at the Cardinal Power 115 kV bus;
3. should there be a change in operating conditions or system conditions affecting this market participant's facilities.

**Transfer:** Approval to transfer the exemption may be granted once the following criteria have been met:

1. the transfer meets applicable terms and conditions set forth in the exemption itself and whether the transfer would affect the ability of the proposed transferee to comply with all of the terms and conditions of the exemption;
2. the proposed transferee is a market participant or undertakes in writing to the IMO to apply for authorization as a market participant; and
3. the extent to which the transfer of the exemption will impact the timely implementation of the plan to become compliant with the exempted obligation (such plan may be the exemption plan, modified as required by the Panel as part of the terms and conditions of the exemption).

**Reasons of the Panel:** In rendering our decision, we have considered Cardinal Power's Exemption Application, the IMO Staff Recommendation, Cardinal Power's comments on the IMO Staff Recommendation, the applicable sections of the Market Rules and the *Exemption Application and Assessment Procedure*.

Cardinal Power is seeking an exemption from Appendix 4.15 and Appendix 4.19 of the Market Rules, which require a facility to supply certain data to the IMO.

#### Applicant's Position

- Cardinal Power is a transitional scheduling generator and is only required to follow its forecast to a reasonable degree. There will be inherent error between the forecasted values and the actual generation from Cardinal Power, regardless of the accuracy of the telemetry.
- The industrial load is the only load tied to the Cardinal Power generation, therefore Cardinal Power is able to detect and estimate the industrial load with a reasonable degree of accuracy.
- The industrial load, because of its small size, is not required by the market rules to provide any telemetry. Any forecasts made by Cardinal Power or by the IMO will always require that the industrial load be estimated.

IMO Staff Recommendation

IMO Staff recommended granting this exemption with the conditions described above.

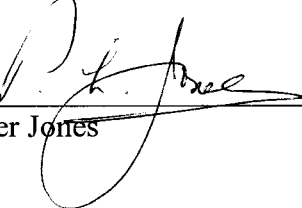
Conclusion

We agree with the IMO Staff Recommendation and have decided to grant the exemption requested by Cardinal Power on the conditions and for the term described herein.

Requiring telemetry for the Cardinal Power generators would not add value and would needlessly cost Cardinal Power and the IMO both time and money for additional metering and associated communication changes required to accommodate any new telemetry.

The dispatch data supplied with the aggregate of the two generators net of the industrial load (i.e. Cardinal Net) is sufficient to avoid any adverse impact on the IMO-administered markets or the IMO-controlled grid that might be caused by granting the requested exemption.

  
\_\_\_\_\_ 26/3/04  
James C. Baillie Date

  
\_\_\_\_\_ Mar. 26/04  
Peter Jones Date



April 21, 2004

**MEMORANDUM**

**TO: Business Information and Records Management**

**FROM: Heather Landymore  
Legal Affairs (Lawyer on Secondment)**

**RE: Exemption Application Nos. 01-1178; 01-1180; 01-1192; 01-1221; 01-1222; 01-1234; 01-1249; 01-1296; 01-1224; and CWC Group of Exemptions (Nos. 01-1006; 01-1009; 01-1027; 01-1139; 01-1151; 01-1212; 01-1213; 01-1228; 01-1262 and 01-1271)**

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I attach original Decisions and Decision Templates for the above exemption applications for filing. Please also scan the Decisions and file the scanned copies.

Please forward scanned copies of the Decisions to Web Publishing for posting on the Exemption Application Status page of the IMO's public website. The date that the Decisions are posted should be inserted in the "Date Panel Decision Posted" column and there should be a hyperlink to the Decisions in the "Panel Decision" column.

If you could request Web Publishing to notify me when the Decisions are posted so I can download copies for the Legal Affairs files, I would appreciate it.

Heather Landymore

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Attachment

**SCANNED**

RECEIVED

APR 23 2004