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## Market Rule Amendment Proposal

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### PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00420-R02		
Subject:	Capacity Exports & Transmitter Outages		
Title:	Capacity Exports		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input checked="" type="checkbox"/> Addition
Chapter:	5	Appendix:	N/A
Sections:	6.4.4.1, 6.4.4A (new), 6.4.5, 6.4.9, 6.4.9.3 (new), 6.4.9.3.1 (new), 6.4.9.3.2 (new)		
Sub-sections proposed for amending:	Various		

### PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Draft for Technical Panel Review	June 14, 2018
Approved Amendment Publication Date:		
Approved Amendment Effective Date:		

### PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

Provide a brief description of the following:

- The reason for the proposed amendment and the impact on the *IESO-administered markets* if the amendment is not made.
- Alternative solutions considered.
- The proposed amendment, how the amendment addresses the above reason and impact of the proposed amendment on the *IESO-administered markets*.

#### Summary

The IESO proposes to amend the market rules to create a framework to enable Ontario-based resources to export capacity, as approved by the IESO.

The IESO will continue to assess and determine the need for changes to the capacity exports framework in the future as a result of requirements arising from conforming to changes resulting from the Market Renewal Program (MRP).

Specifically, the R02 amendment will:

- Enable the IESO to reject or revoke a planned outage to transmission connection facilities that would make a capacity export generation resource incapable of delivering electricity to the IESO-controlled grid, in circumstances where the external system operator determines that the planned outage would result in an unacceptable risk of an adequacy shortfall within their jurisdiction, and the outage is unable to be rescheduled;

Further information can be found on the [Capacity Exports](#) stakeholder engagement webpage.

#### Background

Please refer to MR-00420-R00

#### Discussion

##### Chapter 5 - Ability to Reject Planned Transmission Outages

Market participants will ordinarily be required as part of their capacity arrangements to report any planned outages to connection facilities owned by a third-party transmitter to the relevant control area operator. The planned outages that must be reported would restrict the ability of capacity resources to support a called capacity export by making the generator unable to deliver electricity to the IESO-controlled grid. Upon request by the market participant, and only after such market participant has attempted to reschedule the planned outage with the transmitter, the IESO may attempt to reschedule the planned outage in coordination with the transmitter. If the IESO and the transmitter cannot mutually agree to reschedule the outage and the external system operator determines that the planned outage would result in an unacceptable risk of an adequacy shortfall within their jurisdiction, as may be

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specified in the relevant capacity export agreement, the IESO may reject the planned outage. The IESO expects and will require that the market participant demonstrate that it has coordinated with the transmitter on a best efforts basis prior to any IESO intervention to reschedule or reject a transmitter outage request for the purposes of supporting a capacity export arrangement.

Reject Planned Outage

- The IESO proposes to insert section 6.4.4A to specify that the IESO may refuse to grant advance approval for a planned outage to a connection facility if:
  - A transmitter's planned outage prevents the delivery of electricity to the IESO-controlled grid from a generation unit that has committed its capacity to an external control area, in accordance with section 20.2 of Chapter 7;
  - The IESO is advised by the market participant that has committed its capacity to an external control area in accordance with section 20.2 of Chapter 7, that the external control area operator has determined that the planned outage would result in an unacceptable risk of an adequacy shortfall, as may be specified in the applicable capacity export agreement; and
  - The market participant that has committed its capacity to an external control area in accordance with section 20.2 of Chapter 7, demonstrates to the IESO that it has used best efforts to reschedule the planned outage with the transmitter, as prescribed in the applicable market manual. The market manual will further describe how market participants can demonstrate that they have communicated with the transmitter, including steps taken in an attempt to reschedule the planned outage with the transmitter.

Revoke Advance Approval

- The IESO proposes to amend section 6.4.9 of Chapter 5 to specify that the IESO may revoke advance approval of a planned outage to a connection facility if (the same conditions as listed above):
  - A transmitter's planned outage prevents the delivery of electricity to the IESO-controlled grid from a generation unit that has committed its capacity to an external control area, in accordance with section 20.2 of Chapter 7;
  - The IESO is advised by the market participant that has committed its capacity to an external control area in accordance with section 20.2 of Chapter 7, that the external control area operator has determined that the planned outage would result in an unacceptable risk of an adequacy shortfall; and
  - The market participant that has committed its capacity to an external control area in accordance with section 20.2 of Chapter 7, demonstrates to the IESO that it has used best efforts to reschedule the planned outage with the transmitter, as prescribed in the applicable market manual. The market manual will further describe how market participants can demonstrate that they have communicated with the transmitter,

**PART 3 – EXPLANATION FOR PROPOSED AMENDMENT**

including steps taken in an attempt to reschedule the planned outage with the transmitter.

**PART 4 – PROPOSED AMENDMENT****Chapter 5****6.4 Submission of Outage Schedules and IESO Approval of Outage Schedules**

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6.4.4 The *IESO* shall:

- 6.4.4.1 provide *advance approval* for a *planned outage* submitted to it pursuant to section 6.4.1 and shall provide its final approval to the *planned outage* pursuant to section 6.4.3.3 unless it determines, based primarily on the quarterly assessments referred to in section 7.3.1.2 and on the daily assessments referred to in section 7.3.1.4, that the *planned outage*, including but not limited to a *planned outage* identified by an *embedded generator*, will or is reasonably likely to have an adverse impact on the *reliable* operation of the *IESO-controlled grid* or as otherwise described in section 6.4.4A;
- 6.4.4.2 assess each *planned outage* submitted under section 6.4.1;
- 6.4.4.3 following receipt of an *outage* submission pursuant to section 6.2.1, 6.3.1, or 6.4.1, advise the relevant *market participant* of the existence of any conflict with a *planned outage* planned by another *market participant*;
- 6.4.4.4 if the *market participant* submitted the *planned outage* with the *IESO* under section 6.4.1, advise the relevant *market participant* of the expected outcome of the approval process;
- 6.4.4.4A [Intentionally left blank – section deleted]
- 6.4.4.4B if the *market participant* submitted its *planned outage* for *quarterly advance approval* under section 6.4.1B, advise the *market participant*

whether or not *quarterly advance approval* of the *planned outage* has been granted no later than the end of the month that is one month prior to the start of the six month period, starting with the next calendar quarter, in which the *planned outage* is scheduled to start. Where the *IESO* does not grant *quarterly advance approval*, the *IESO* shall subsequently consider the *planned outage* for either *quarterly advance approval* in accordance with this section 6.4.4.4B, *weekly advance approval* in accordance with section 6.4.4.4C, or *three-day advance approval* in accordance with section 6.4.4.5, and as specified in the applicable *market manual*;

- 6.4.4.4C if the *market participant* submitted its *planned outage* for *weekly advance approval* under section 6.4.1C or if the *IESO* considered the *planned outage* for *weekly advance approval* in accordance with section 6.4.4.4B, and if the *market participant* confirmed the request for *weekly advance approval* in accordance with section 6.4.1.3, advise the *market participant* of the *weekly advance approval* or rejection of the *planned outage* no later than 16:00 EST on the second Friday prior to the week, starting Monday, in which the *planned outage* is scheduled to start.
- 6.4.4.5 if the *market participant* submitted its *planned outage* for *three-day advance approval* under section 6.4.1D, or if the *IESO* considered the *planned outage* for *three-day advance approval* in accordance with section 6.4.4.4B, advise the *market participant* of the *three-day advance approval* or rejection of the *planned outage* no later than 16:00 EST on the third *business day* prior to the day on which the *planned outage* is scheduled to commence;
- 6.4.4.5A if the *market participant* submitted its *planned outage* and request for *one-day advance approval* under section 6.4.1.E, advise the *market participant* of the *one-day advance approval* or rejection of the *planned outage* no later than 14:00 EST on the *business day* prior to the day on which the *planned outage* is scheduled to commence; and
- 6.4.4.6 when providing the final approval referred to in section 6.4.4.1, advise the *market participant* if the submitted *planned outage* is to be undertaken under the direction of the *IESO* where the *IESO* has made a determination that this is necessary to maintain the *reliability* of the *IESO-controlled grid*. If it is known in advance, the *IESO* will advise the *market participant* of this requirement when providing the *advance approval* referred to in sections 6.4.4.4B, 6.4.4.4C, 6.4.4.5 or 6.4.4.5A or as soon as possible thereafter.

6.4.4A The *IESO* may refuse to provide *advance approval* to a transmitter's *planned outage* if:

- 6.4.4A.1 *the transmitter's planned outage is to a connection facility that would prevent the delivery of electricity to the IESO-controlled grid from a generation unit that has committed capacity to an external control area in accordance with section 20.2 of Chapter 7;*
- 6.4.4A.2 *the IESO is advised by the market participant that has committed its capacity to an external control area in accordance with section 20.2. of Chapter 7, that the external control area operator has determined that a transmitter's planned outage would result in an unacceptable risk of an adequacy shortfall to the external control area, as may be specified in the applicable capacity export agreement; and*
- 6.4.4A.3 *the market participant that has committed its capacity to an external control area in accordance with section 20.2 of Chapter 7 has demonstrated to the IESO that it has made best efforts to reschedule the planned outage with the transmitter, as prescribed in the applicable market manual.*
- 6.4.5 Where the IESO does not provide *advance approval* of a *planned outage* or does not give its final approval to a *planned outage* pursuant to section 6.4.4 or 6.4.4A, the IESO shall work with the relevant *market participant* to re-schedule the *planned outage* to a date and time at which the *planned outage* will not or is not reasonably likely to have an adverse impact on the *reliable* operation of the *IESO-controlled grid*. Upon the resubmission of the *planned outage*, the IESO shall where reasonably practicable take into account the date and time preferences of the *market participant*.

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**Revoke Advance Approvals**

- 6.4.9 The IESO may, where necessary to maintain the *reliability* of the *IESO-controlled grid*, or as provided in section 6.4.9.3, revoke an *advance approval* of a *planned outage*. Without limiting the generality of the foregoing, the IESO may revoke an *advance approval* if:
- 6.4.9.1 the IESO determines that either an *emergency operating state* or a *high-risk operating state* is occurring or is reasonably likely to occur at the time at which the *planned outage* would otherwise take place; ~~or~~
- 6.4.9.2 necessary to avoid recalling a *planned outage* pursuant to section 6.4.11; ~~;~~  
or
- 6.4.9.3 *the transmitter's planned outage is to a connection facility that would prevent the delivery to the IESO-controlled grid of electricity from a generation unit that has committed capacity to an external control area in accordance with section 20.2 of Chapter 7; and*

6.4.9.3.1 the IESO is advised by the market participant that has committed its capacity to an external control area in accordance with section 20.2. of Chapter 7, that the external control area operator has determined that a transmitter's planned outage would result in an unacceptable risk of an adequacy shortfall to the external control area, as may be specified in the applicable capacity export agreement; and

6.4.9.3.2 the market participant that has committed its capacity to an external control area in accordance with section 20.2 of Chapter 7 has demonstrated to the IESO that it has made best efforts to reschedule the planned outage with the transmitter, as prescribed in the applicable market manual.

A *planned outage* that receives *advance approval* under section 6.4.4 but does not receive final approval pursuant to section 6.4.3.3 shall be considered to have had its *advance approval* revoked.

- 6.4.10 Where the IESO revokes *advance approval* of a *planned outage* pursuant to section 6.4.9, the *market participant* may elect either to resubmit or to cancel the *outage*. When the *market participant* elects to resubmit the *outage*, the IESO shall work with the relevant *market participant* to re-schedule the *planned outage* to a date and time at which the *planned outage* will not or is not reasonably likely to have an adverse impact on the reliable operation of the IESO-controlled grid and not pose an unacceptable risk to the adequacy of an external control area to which capacity has been committed. In re-scheduling the *planned outage*, the IESO shall where reasonably practicable take into account the date and time preferences of the *market participant*. A *planned outage* that is re-scheduled under this section must be resubmitted in accordance with the submission requirements in sections 6.4.1B, 6.4.1C, 6.4.1D and 6.4.1E. To maintain the priority date of the approved *planned outage* prior to the revocation of the *advance approval*; the *planned outage* must be resubmitted in accordance with section 6.4.16.

## PART 5 – IESO BOARD DECISION RATIONALE

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