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## Market Rule Amendment Submission

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This form is used to request an amendment to, or clarification of, the *Market Rules*. Please complete the first four parts of this form and submit the completed form by email or fax to the following:

Email Address: [Rule.Amendments@ieso.ca](mailto:Rule.Amendments@ieso.ca)

Fax No.: (416) 506-2847 Attention: Market Rules Group

**Subject: Market Rule Amendment Submission**

All information submitted in this process will be used by the *IESO* solely in support of its obligations under the *Electricity Act, 1998*, the *Ontario Energy Board Act, 1998*, the *Market Rules* and associated policies, standards and procedures and its licence. All submitted information will be assigned the *confidentiality classification* of “Public” upon receipt. You should be aware that the *IESO* will *publish this amendment submission* if the *Technical Panel* determines it warrants consideration and may invite public comment.

Terms and acronyms used in this Form that are italicized have the meanings ascribed thereto in Chapter 11 of the *Market Rules*.

### PART 1 – SUBMITTER’S INFORMATION

Please enter contact information in full.	
Name: <u>IESO Staff</u>	
(if applicable) <i>Market Participant / Metering Service Provider</i> No. <sup>1</sup> : <u>N/A</u>	<i>Market Participant Class</i> : <u>N/A</u>
Telephone: <u>905-855-4128</u>	Fax: <u>905-855-6371</u>
E-mail Address: <u>Rule.amendments@ieso.ca</u>	

### PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: <u>Compliance</u>	
Title: <u>Technical Feasibility Exceptions – Maintenance Cost Recovery</u>	
Nature of Request (please indicate with x)	
<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion
<input type="checkbox"/> Addition	<input type="checkbox"/> Clarification
Chapter: <u>5</u>	Appendix: _____
Sections: <u>3.2A.3.3, 3.2A.4, 3.2A.5, 3.2A.5.2, 3.2A.5.3, 3.2A.10</u>	
Sub-sections proposed for amending/clarifying: _____	

<sup>1</sup> This number is a maximum of 12 characters and does not include any spaces or underscore.

### PART 3 – DESCRIPTION OF THE ISSUE

Provide a brief description of the issue and reason for the proposed amendment. If possible, provide a qualitative and quantitative assessment of the impacts of the issue on you and the *IESO-administered markets*. Include the Chapter and Section number of the relevant *market rules*.

#### Summary

It is proposed to amend the market rules to clarify the authority of the IESO to recover costs incurred during the “maintenance phase” of approved Technical Feasibility Exceptions (TFEs). Upon implementing the TFE process under [MR-00366](#), the IESO is concerned that the market rules may not allow the IESO to recover costs incurred during the maintenance period after a TFE is approved until the TFE is no longer in effect.

#### Background

The IESO's Market and Assessment & Compliance Division (MACD) processes exceptions to some of NERC's Critical Infrastructure Protection (CIP) reliability standards for equipment that is technically unable to meet certain requirements.

Market participants and prospective market participants that own critical assets (CAs) and associated critical cyber assets (CCAs) as identified by the IESO, have the ability to apply for exceptions to CIP standards for equipment that is unable to meet the mandatory requirements for reasons specified in the NERC TFE Process.

Prior to TFE approval, the TFE application process consists of two parts: Part A – initial screening, and Part B – substantive review. An approved TFE does not exempt the TFE applicant from compliance with the requirements; it authorizes an alternative means of compliance with the requirements through the use of compensating and/or mitigation measures for a specified period. Upon TFE approval by MACD, the TFE applicant enters the maintenance phase where approved TFEs which remain in effect are subject to periodic IESO review of the fulfillment of terms and conditions/compliance with mitigation measures.

MR-00366 approved by the IESO Board in April 2010 allowed for IESO cost recovery during the initial screening and substantive review phases, but did not specifically address cost recovery during the maintenance phase. It is estimated that average maintenance costs will be in the range of \$1,500 to \$2,000 per approved TFE.

The “TFE Cost Recovery Principles” document which was discussed with CIP forum members, revised and posted on the CIP forum web-page in February 2010 explicitly states that “MACD will recover costs incurred in either stage of the processing, as well as costs incurred in maintenance of the TFE such as periodic reviews, amendments, transfers, or terminations.” No objections were received regarding maintenance phase cost recovery indicating acceptance by the CIP forum members.

For further information on TFEs, please refer to the IESO's website at:

<http://www.ieso.ca/imoweb/marketComp/tfe.asp>

**PART 4 – PROPOSAL (BY SUBMITTER)**

Provide your proposed amendment. If possible, provide suggested wording of proposed amendment.

Amend the market rules to clarify the authority of the IESO to recover costs incurred during the “maintenance phase” of approved TFEs.

**PART 5 – FOR IESO USE ONLY**

*Technical Panel Decision on Rule Amendment Submission:* Warrants consideration

MR Number: MR-00384

Date Submitted to *Technical Panel*: August 16, 2011

Accepted by *Technical Panel* as: (please indicate with x) Date:

General  Urgent  Minor August 23, 2011

Criteria for Acceptance: The amendment submission identifies ambiguity or confusion within the market rules.

Priority: Regular

Criteria for Assigning Priority: It is estimated that at least 94 of the existing 118 TFE applications will enter the maintenance phase starting in 2012.

Not Accepted (please indicate with x):

Clarification/Interpretation Required (please indicate with x):

*Technical Panel Minutes Reference:* IESOTP 253-1

*Technical Panel Comments:* \_\_\_\_\_