



Market Rule Amendment Submission

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

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. ¹ : <u>N/A</u>	<i>Market Participant Class</i> : <u>N/A</u>
Telephone: <u>416-506-2801</u>	Fax: <u>416-506-2847</u>
E-mail Address: <u>Rule.Amendments@ieso.ca</u>	

PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: <u>Day-Ahead Commitment Process</u>	
Title: <u>Pre-Dispatch Scheduling and Commitment</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>7</u>	Appendix: _____ Sections: <u>5.8 (New)</u>
Sub-sections proposed for amending/clarifying: _____	

¹ 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*.

While a day-ahead commitment of internal and external resources would be best accomplished through a day-ahead market in Ontario as all neighbouring markets have, the design, approval and implementation of such a market is not feasible before the summer of 2006. The IESO is proposing instead to use existing market mechanisms as much as possible and provide financial guarantees, to achieve at least some of the reliability benefits through a Day-Ahead Commitment Process.

This amendment submission defines the scope of the market rule amendments to implement the pre-dispatch scheduling and commitment component of the Day-Ahead Commitment Process. The Day-Ahead Commitment Pre-Dispatch Schedules will be a defined series of existing pre-dispatch schedules already generated under Section 5 of Chapter 7 of the market rules.

The primary objectives of the Day-Ahead Commitment Process are to provide greater assurance that sufficient resources are committed day-ahead to meet forecast reliability needs in real-time. This assurance is to be accomplished through measures to address reliability needs for Ontario's power system in 2006. The design provides a day-ahead commitment process with financial guarantees referred to as reliability guarantees. The proposed design improves the opportunities for the scheduling of imports, the reduction of import failures in real-time, and likelihood that sufficient internal generation resources are on line in real-time to satisfy reliability needs. For further information please refer to MR-00303-Q00: Day-Ahead Commitment Process – Data Submission and MR-00305-Q00 Day-Ahead Commitment Process – Reliability Guarantees. Additional information regarding these reliability needs and the high-level Day-Ahead Commitment process design can also be found at http://www.ieso.ca/imoweb/consult/consult_isr.asp.

PART 4 – PROPOSAL (BY SUBMITTER)

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

The market rules should be amended in the following fashion to facilitate the pre-dispatch scheduling and commitment process for the Day-Ahead Commitment Process. The Day-Ahead Commitment Pre-Dispatch Schedules will be a defined series of existing pre-dispatch schedules already generated under Section 5 of Chapter 7 of the market rules.

Insert a new section 5.8 “The Day-Ahead Commitment Pre-Dispatch Scheduling Process” into Chapter 7. The elements of the new section 5.8 would include the following:

- Specification of the timelines when the Day-Ahead Commitment Pre-Dispatch Scheduling Process occurs including the generation of the Pre-Dispatch Schedule of Record. The Pre-Dispatch Schedule of Record produces constrained schedules for dispatchable generation resources that are constrained by the IESO. It also produces constrained schedules for imports that represents the quantities and hours to be delivered in real-time.
- Specification of the relevance of the Pre-Dispatch Schedule of Record and its relationship to the reliability guarantees (Day-Ahead Generator Cost Guarantee (DAGCG) and Day-Ahead Intertie

PART 4 – PROPOSAL (BY SUBMITTER)

Offer Guarantee (DAIOG)). If an import offer is scheduled in the Pre-Dispatch Schedule of Record, that transaction automatically receives the DAIOG. If a dispatchable facility is scheduled in the Day-Ahead Pre-Dispatch Schedule of Record for at least the facility's minimum run time at its minimum loading point, the market participant may select the DAGCG provided the market participant makes this selection by a time to be specified in the market rules. Acceptance of the guarantee will cause the IESO to ensure that these units are scheduled to at least the minimum loading point and minimum run time in future pre-dispatch schedules and real-time schedules.

- Specification of the permissions and authorities necessary for the IESO to constrain dispatchable resources during the Day-Ahead Commitment Pre-Dispatch Scheduling Process to address minimum run time requirements and must run operational requirements.
 1. Minimum run time requirements – Where a dispatchable generator is scheduled in the day-ahead commitment process for less than its minimum run time it is proposed to permit the IESO to confer with the affected market participant and if agreed to by the market participant to constrain the generator on for the minimum run time for reliability reasons. This action is required in the day-ahead commitment process to ensure that sufficient and appropriate imports are scheduled and that the day-ahead intertie offer guarantee will not be paid to imports when they are not required.
 2. Must run operation requirements – Where a dispatchable generator is scheduled in the Day-Ahead Pre-Dispatch Schedule of Record and the schedule does not meet its operational requirements such as minimum time between starts, minimum start up time, and maximum number of cycles and will result in a reliability concern if the generator is not on line, it is proposed to permit the IESO to confer with the affected market participant and if agreed to by the market participant the IESO may constrain the resource on to avoid the operational limitation. This permission would only be exercised by the IESO for reliability reasons where the IESO believes the market is not expected to solve for this in subsequent pre-dispatch runs.
- Specifying that all constraining actions noted above will be retained in future iterations of the pre-dispatch schedule.
- Specifying for all of the constraining actions noted above the IESO would be obligated to report to market participants which of their facilities the IESO was manually constraining and to publish in aggregate, bearing in mind confidentiality requirements, the total number of megawatts the IESO was manually constraining in any given hour.
- Specification of the IESO's publishing and reporting obligations associated with the creation of the Pre-Dispatch Schedule of Record. It is proposed that these would be in accordance with the existing section 5.5 "Release of Pre-Dispatch Schedule Information".
- Specification that, in accordance with the IESO's record management obligations, the IESO would retain each Pre-Dispatch Schedule of Record since it forms the decision basis for the application of reliability guarantees that could be paid to market participants. There will be a need to retain these schedules to facilitate the resolution of potential settlement issues and to be available for audit purposes.
- Specification of the conditions under which a market participant may withdraw or the IESO may de-commit for reliability reasons resources subsequent to the publication of the Pre-Dispatch Schedule of Record.
- Specification that after the publication of the Pre-Dispatch Schedule of Record, market participants, with the exception of dispatchable loads that bid +MMCP to be non-dispatchable, are

PART 5 – FOR IESO USE ONLY

Criteria for Assigning Priority:

1. **Pervasiveness of the problem.** In the summer of 2005 the IESO resorted to the use of Emergency Control Actions to maintain the reliable operation of the IESO-controlled grid including the use of voltage reductions and with the amendments proposed by MR-00305-Q00 the necessity to resort to control actions might have been avoided. Voltage reductions have an impact on all consumers of electricity in Ontario and are indicative of the nature and the severity of the reliability issues which require resolution. The IESO believes that the existing system conditions will not improve and in fact may worsen by the summer of 2006 if corrective actions, including the Day-Ahead Commitment Process, are not taken. The number of affected market participants and the significant nature of these impacts indicate that this amendment is a high priority.

2. **Practical consequences.** A failure by the IESO-administered markets to resolve the identified reliability issues may cause the Ontario government to take alternative actions to improve reliability in Ontario. This consideration suggests that the issue needs to be addressed in a timely manner and solutions need to be in place prior to the next period of anticipated electricity system stress.

Not Accepted (please indicate with x):

Clarification/Interpretation Required (please indicate with x):

Technical Panel Minutes Reference: IESOTP 174-1

Technical Panel Comments: _____