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## Market Rule Amendment Proposal

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### PART 1 – MARKET RULE INFORMATION

<b>Identification No.:</b> MR-00027	
<b>Subject:</b> Definitions	
<b>Title:</b> Rule Note: Definition of Transmitter	
<b>Nature of proposal</b> (please indicate with X): ___ Alteration ___ X Deletion ___ Addition	
<b>Chapter:</b> 11	<b>Appendix:</b>
<b>Sections:</b> 1 (Rule Note)	
<b>Sub-sections proposed for amending:</b>	

### PART 2 – PROPOSAL HISTORY

Issue	Reason for Issue	Issue Date
1.0	Amendment Submission endorsed and Proposal voted on by Technical Panel	August 20, 2002
2.0	Submitted for IMO Board approval	September 5, 2002
3.0	IMO Board approval	September 5, 2002

**Approved Amendment *Publication* Date:** September 9, 2002

**Approved Amendment *Effective* Date:** December 5, 2002

**PART 3 – EXPLANATION FOR PROPOSED AMENDMENT**

Provide a brief description of the following:

- The reason for the proposed amendment and the impact the *IMO-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 *IMO-administered markets*.

The Rule Note at the beginning of the definition section in Chapter 11 states that the definitions of the terms “transmitter” and “transmission system” may require certain persons to fulfill certain obligations under the market rules. These obligations may, at times, be inconsistent for those market participants exempt from corollary obligations under the *Electricity Act, 1998* or the *Ontario Energy Board Act, 1998*. For example, a market participant who is licensed by the Ontario Energy Board (OEB) as a distributor, despite the fact they convey electricity at voltages of more than 50 kilovolts, would “technically” fit the definition of transmitter under the market rules and be required to meet the obligations of a transmitter under the market rules. The Rule Note indicates that this potential inconsistency needs to be addressed.

It is the IMO’s view that while there is a the potential for inconsistency in the designation of an entity as a transmitter it has not been a problem to date nor is it expected to in the future. As such, there is no need for a Rule Note in the market rules that require the potential inconsistency to be addressed. Leaving the Rule Note in the market rules creates confusion and uncertainty concerning transmitters and their obligations.

The IMO and OEB are endowed with different statutory responsibilities. There will be circumstances where, for reliability reasons, a market participant should be subject to the market rules regarding transmitters notwithstanding that the market participant may not be licensed as a transmitter by the OEB or may otherwise be exempt from some of the obligations of a transmitter under the *Ontario Energy Board Act, 1998*. If a problem were to arise due to the lack of uniformity between the two regimes, participants are eligible to apply for an exemption from the market rule obligations. Also, should the need arise at a later time, the IMO may on its own initiative, or on that of a market participant’s amend the market rules to appropriately identify certain participants who fit the definition of transmitter from some or all obligations of transmitters under the market rules.

## PART 4 – PROPOSED AMENDMENT

# 1. Definitions

*Rule Notes:*

1. ~~The scope of the definition of the terms “transmitter” and “transmission system” may, due to the manner in which they are used in the *market rules*, result in certain persons being made subject to certain obligations under the *market rules* in circumstances where the imposition of such obligations is inconsistent with that person being exempt from a corollary obligation in the *Electricity Act, 1998* or the *Ontario Board Act, 1998*, either pursuant to the relevant terms of those *Acts* or by virtue of a regulation enacted thereunder. This needs to be addressed. [Intentionally left blank]~~

## PART 5 – IMO BOARD COMMENTS