



Market Rule Amendment Submission

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@theIMO.com

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 *IMO* 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 *IMO* 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: Jason Chee-Aloy	
(if applicable) <i>Market Participant / Metering Service Provider No.</i> ¹ :	Market Participant Class: IMO Staff
Telephone: 416-506-2839	Fax: 416-506-2847
Email Address: Rule.Amendments@theIMO.com	

PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: IMO Administration
Title: Local Market Power Rule Amendments – Pre-Inquiry Adjustment to CMSC Re-calculation
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: 7 Appendix: 7.6 Sections: 1.4 and 1.5
Sub-sections proposed for amending/clarifying : 1.4.3.2, 1.5.1.1 and 1.5.1.2

¹ This field is restricted to a maximum of 12 characters and does not allow 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 *IMO-administered markets*. Include the Chapter and Section number of the relevant market rules.

It is proposed to add a new provision in the local market power rules to allow market participants, as part of their representations, to request that alternate price limits be applied for the purpose of the IMO's re-calculation of congestion management settlement credits (CMSC).

These alternate price limits shall only be applied to the re-calculation of CMSC where the IMO and the market participant agree on these values within a reasonable time period. Effectively, this new provision would allow the investigated price to be assessed against the agreed to alternative price limits and the CMSC adjustments calculated accordingly prior to any local market power inquiry being launched.

Presently, the IMO may conclude that a CMSC re-calculation (see section 1.5) is justified. However, the price limits that section 1.3.8 currently requires to be used in the re-calculation of the CMSC may not always represent fair values. Therefore, the proposed rule amendments allow market participants to request, and the IMO to agree upon, alternate price limits be applied to the re-calculation of the CMSC. Where such alternate price limits are used in the re-calculation of CMSC, the IMO will apply this adjustment to the market participant's settlement statement and no inquiry is required.

The proposed rule amendments give the IMO some practical discretion to consider and agree to more appropriate price limits earlier in the process. Consequentially, the proposed amendments should also streamline the local market power process by avoiding the need for inquiries where the outcome would be the same.

Here is an example of how an inquiry might be avoided.

As the market rules presently stand, it is possible for the IMO to conduct an inquiry into costs with respect to the investigated price (see section 1.6.). Assume that an inquiry has been launched where an applicable situation has been previously investigated under a past inquiry for the same market participant. The market participant would not be able to request that similar cost information, used in the previous inquiry, be used as information to derive alternate price limits for purposes of the re-calculation of the CMSC in the latest inquiry. If the market participant were afforded such a provision, the IMO may agree to apply alternate price limits, hence not needing to launch an inquiry.

Therefore, it would be more efficient for the IMO and market participants if the IMO were allowed to consider and agree to alternative price limits earlier on in the process without having to launch a inquiry formal under section 1.6.

PART 4 – PROPOSAL (BY SUBMITTER)

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

The following rule amendments are proposed:

- Amend sub-section 1.4.3.2 by allowing market participants of the investigated facility to request, as part of its representation, that the IMO apply alternate price limits (to those prescribed in section 1.3.8) towards the CMSC re-calculation; and
- Amend sub-sections 1.5.1.1 and 1.5.1.2 to allow the IMO to apply agreed to alternate price limits towards the CMSC re-calculation for the investigated facility.

PART 5 – FOR IMO USE ONLY

<i>Technical Panel Decision on Rule Amendment Submission</i>	
MR number: MR-00207-Q00	
Date submitted to <i>Technical Panel</i>:	
Accepted by <i>Technical Panel</i> as: <input checked="" type="checkbox"/> General ___ Urgent ___ Minor (please indicate with X)	Date: September 10, 2002
Criteria for acceptance:	
<ul style="list-style-type: none"> • Identifies ways to simplify the market and/or reduce participant or IMO costs; and • The expected and perceived benefits of the amendment exceed the expected or perceived costs of implementation. 	
Priority: Medium	
Criteria for assigning priority: Alternate solutions and practical consequences	
Not accepted (please indicate with X):	
Clarification/interpretation required (please indicate with X):	
<i>Technical Panel</i> minutes reference: IMOTP 111-1	

PART 5 – FOR *IMO* USE ONLY

Technical Panel Comments:

The Technical Panel has decided that this issue warrants further consideration.

While the generator representatives agree that the issue warrants further consideration, they expressed concern regarding the potential for misuse of greater flexible provisions being granted to IMO market surveillance.