



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@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: <i>IMO Staff</i>	
(if applicable) <i>Market Participant / Metering Service Provider No.</i> ¹ :	<i>Market Participant Class:</i>
Telephone: 416-506-2801	Fax: 416-506-2847
Email Address: rule.amendments@theimo.com	

PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: <i>Segregated Mode of Operation</i>	
Title: <i>Segregated Mode of Operation – Dispatch Data Requirements and Request Timing</i>	
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:	Appendix: 7.7 Sections: 1.2 and 1.3
Sub-sections proposed for amending/clarifying : 1.2.1, 1.3.3 and 1.3.4	

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 *IMO-administered markets*. Include the Chapter and Section number of the relevant *market rules*.

Two issues have been identified by the *IMO* and *market participants* with respect to *segregated mode of operation*.

The first issue is with respect to withdrawal of *dispatch data*. The current *market rules* (Appendix 7.7 section 1.2) require a *market participant* to withdraw its *dispatch data* for a *generation facility* for the period when that *facility* is in *segregated mode of operation*. The intent of that provision was to prevent the *facility* from being scheduled to provide *physical services* to the *IMO-administered markets* during the period the *facility* is in a *segregated mode of operation*. When a *registered facility* is in *segregated mode of operation*, it is radially connected to the neighbouring *control area* and thus cannot provide *physical services* to the *IMO-administered markets*.

IMO-controlled grid reliability problems have been experienced as a result of this *market rule*. These problems have arisen at times immediately before the *segregated mode of operation* has started or after the *segregated mode of operation* has ended. Depending on circumstances such as:

- the timing of the switching to achieve the *segregated mode of operation* or
- an unforeseen and urgent cessation of the *segregated mode of operation* (e.g. *reliability concern* of the neighbouring *control area* or in Ontario);

the *facility* could be connected to the *IMO-controlled grid* while there is no *dispatch data* for the *facility*. The *dispatch* scheduling algorithm then “sees” an injection with no *dispatch data* and *dispatches* other Ontario resources in response, assuming that the injection with no *dispatch data* will continue.

These situations have led to problems in maintaining the ongoing Ontario supply-demand balance and for the *IMO* to meet its *reliability standard* obligations. These problems are also causing, on occasion, significant and volatile re-*dispatch* of other Ontario *facilities*, resulting in *facility reliability* concerns.

To address this issue, the *IMO* and affected *market participants* have agreed that the existing *market rules* (Appendix 7.7 section 1.2.1) can be satisfied through the submission of an *outage slip* showing a zero capability of the *facility*. The *market participant* would maintain *dispatch data* in the *IMO-administered market* systems for the *facility*. When the *facility* returns from *segregated mode of operation*, the *market participant* will remove the *outage slip* and the existing *dispatch data* will be used to schedule the *facility* appropriately. The *IMO* has implemented this agreed-to change procedurally. *Market Manual 7: System Operations Part 7.3: Outage Management* requires the *market participant* intending for a registered *facility* to operate in *segregated mode of operation* to submit an *outage slip* to the *IMO* (section 1.3.19).

In order to improve transparency of the *market rules* to reflect current practices Appendix 7.7 section 1.2.1 should be altered to reflect that *dispatch data* will continue to be maintained and that the *market participant* will submit an *outage slip* as set out in the *market rules* regarding *outages* (Chapter 5 section 6.4).

The second issue is with respect to the timing of requests for *segregated mode of operation*. Currently *market participants* that intend for a registered *facility* to operate in a *segregated mode of operation* are required to make a *request for segregation* to the *IMO* with a minimum of 4 hours notice. A *market participant* has requested that the minimum notice be reduced to 2 hours to allow more flexible scheduling of *segregated mode of operation*. This increased flexibility will allow the *market*

PART 3 – DESCRIPTION OF THE ISSUE

participant to respond more efficiently to market signals. In addition, this change makes *segregated mode of operation* consistent with the removal of the 4 to 2 hour restrictions on *dispatch data* revisions (MR-00232).

This timing change will require that the *IMO* be able to make a decision on approving/rejecting a request for *segregated mode of operation* in a shorter time frame. The *IMO* may have to make a decision within 30 minutes rather than the 60 minutes currently set out in the *market rules*. This change is a result of the *transmitter* requesting a minimum of 90 minutes notice in order to switch the applicable equipment or *facilities* required for implementing the *segregated mode of operation*.

PART 4 – PROPOSAL (BY SUBMITTER)

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

The following changes to Appendix 7.7 of the *market rules* is required:

1. Section 1.2.1: require the *market participant* to maintain *dispatch data* and submit an *outage slip* for a *facility* for the time period that the *facility* will be in *segregated mode of operation*.
2. Section 1.3.3: permit the *market participant* to make a request for *segregated mode of operation* up to 2 hours ahead of the first *dispatch hour* to which the request pertains.
3. Section 1.3.4: obligate the *IMO* to make a decision regarding a request for *segregated mode of operation* that will provide the *transmitter* with sufficient notice to switch the applicable equipment or *facilities*.

PART 5 – FOR IMO USE ONLY***Technical Panel Decision on Rule Amendment Submission***

MR number: MR-00240-Q00

Date submitted to Technical Panel: December 10, 2003

Accepted by Technical Panel as: General ___ Urgent ___ Minor
(please indicate with X)

Date: December 16, 2003

PART 5 – FOR IMO USE ONLY

Criteria for acceptance: This submission meets the following criteria for determining whether the amendment submission warrants further consideration:

- **It identifies an error or inconsistency within the Market Rules, specifically an inconsistency between the removal of the 4 to 2 hour restrictions on dispatch data revisions and the current requirement for a minimum of 4 hours notice for the request for segregated mode of operation;**
- **It identifies an IMO-Controlled grid operating reliability concern. The withdrawal of dispatch data for facilities that are in segregated mode of operation has led to problems in maintaining the ongoing Ontario supply-demand balance and for the IMO to meet its reliability standard obligations; and**
- **It identifies means to better enable the market to satisfy the market design principles, specifically the principle of reliability and efficiency. Requiring market participants to continue providing dispatch data and submitting an outage slip will improve the reliability of the IMO-administered market as indicated above. Allowing market participants to make a request for segregated mode of operation with a minimum of 2 hours notice rather than the current 4 hours notice will allow more flexibility and allow the market participant to respond more efficiently to market signals.**

Priority: Medium

Criteria for assigning priority: The criterion for assigning a priority is that the solution proposed is technically feasible and is likely to be accepted generally. The proposed changes have been discussed with IMO line staff and the affected market participants have been involved in developing the proposed changes.

Not accepted (please indicate with X):

Clarification/interpretation required (please indicate with X):

Technical Panel minutes reference: IMOTP 135-1

Technical Panel Comments: There will be no changes to the outcome of the pricing calculation as a result of these amendments.