

- 13.3.2.1 for so long as the *force majeure event* continues and for such reasonable period of time thereafter as may be necessary for the *market participant* to resume performance of the obligation; and
 - 13.3.2.2 where and to the extent that such failure or delay would not have been experienced but for such *force majeure event*.
- 13.3.3 Neither the *IESO* nor a *market participant* may invoke a *force majeure event* unless it has given notice in accordance with section 13.3.4 or 13.3.5, respectively.
- 13.3.4 Where the *IESO* invokes a *force majeure event*, it shall give notice to *market participants* and shall *publish* notice of the *force majeure event* as soon as reasonably practicable but in any event within two *business days* of the date on which the *IESO* becomes aware of the occurrence of the *force majeure event*, which notice shall include particulars of:
 - 13.3.4.1 the nature of the *force majeure event*;
 - 13.3.4.2 the effect that such *force majeure event* is having on the *IESO's* performance of its obligations under these *market rules* or under the provisions of any policy, guideline or other document or referred to in section 7.7 or any *market manual*; and
 - 13.3.4.3 the measures that the *IESO* is taking, or proposes to take, to alleviate the impact of the *force majeure event*.
- 13.3.5 Where a *market participant* invokes a *force majeure event*, it shall give notice to the *IESO* of the *force majeure event* as soon as reasonably practicable but in any event within two *business days* of the date on which the *market participant* becomes aware of the occurrence of the *force majeure event*, which notice shall include particulars of:
 - 13.3.5.1 the nature of the *force majeure event*;
 - 13.3.5.2 the effect that such *force majeure event* is having on the *market participant's* performance of its obligations under these *market rules* or under the provisions of any policy, guideline or other document referred to in section 7.7 or any *market manual*; and
 - 13.3.5.3 the measures that the *market participant* is taking, or proposes to take, to alleviate the impact of the *force majeure event*.
- 13.3.6 Subject to section 13.3.7, where the *IESO* or a *market participant* invokes a *force majeure event*, it shall use all reasonable endeavours to mitigate or alleviate the effects of the *force majeure event* on the performance of its obligations under these *market rules*.
- 13.3.7 The settlement of any strike, lockout, restrictive work practice or other labour disturbance constituting a *force majeure event* shall be within the sole discretion of

- the *IESO* or the *market participant*, as the case may be, involved in such strike, lockout, restrictive work practice or other labour disturbance and nothing in section 13.3.6 shall require the *IESO* or the *market participant*, as the case may be, to mitigate or alleviate the effects of such strike, lockout, restrictive work practice or other labour disturbance.
- 13.3.8 Where the *IESO* invokes a *force majeure event*, it shall notify *market participants* and shall as soon as practicable *publish* notice of any material change in the information contained in the notice referred to in section 13.3.4 or in any previous notice given and *published* pursuant to this section 13.3.8.
- 13.3.9 Where a *market participant* invokes a *force majeure event*, it shall as soon as practicable notify the *IESO* of any material change in the information contained in the notice referred to in section 13.3.5 or in any previous notice given pursuant to this section 13.3.9.
- 13.3.10 Where the *IESO* invokes a *force majeure event*, it shall give notice to *market participants* and shall *publish* notice of the cessation of the *force majeure event* and of the cessation of the effects of such *force majeure event* on the *IESO's* performance of its obligations under these *market rules* or under the provisions of any policy, guideline or other document referred to in section 7.7 or any *market manual*.
- 13.3.11 Where a *market participant* invokes a *force majeure event*, it shall give notice to the *IESO* of the cessation of the *force majeure event* and of cessation of the effects of such *force majeure event* on the *market participant's* performance of its obligations under these *market rules* or under the provisions of any policy, guideline or other document referred to in section 7.7 or any *market manual*.
- 13.3.12 The *IESO* shall *publish* any notice provided to it pursuant to section 13.3.5, 13.3.9 or 13.3.11.
- 13.3.13 Nothing in this section 13.3 shall be read as limiting the right of the *IESO* to impose on a *market participant* a sanction, other than a financial penalty, including but not limited to the issuance of a *suspension order*, a *disconnection order* or a *termination order*, in accordance with the provisions of these *market rules*.
- 13.3.14 Nothing in this section 13.3 shall excuse the *IESO* or a *market participant* from performing any of their respective obligations contained in:
- 13.3.14.1 those provisions of these *market rules* that govern the *IESO* and the *market participant* during an *emergency* or while the *IESO-controlled grid* is in a *high-risk operating state* or in an *emergency operating state*;
- 13.3.14.2 those provisions of any policy, guideline or other document referred to in section 7.7 or any *market manual* that govern the *IESO* and the *market participant* during an *emergency* or while the *IESO-controlled grid* is in a *high-risk operating state* or in an *emergency operating state*;

13.3.14.3 the *Ontario electricity emergency plan*;

13.3.14.4 the *market participant's emergency preparedness plan*;

13.3.14.5 the *Ontario power system restoration plan*; or

13.3.14.6 the *market participant's restoration participant attachment*,

during an *emergency* or while the *IESO-controlled grid* is in a *high-risk operating state* or in an *emergency operating state*.

13.4 Contractual Liability

13.4.1 The liability and indemnification provisions of sections 13.1 and 13.2 and, where applicable, of any other section of these *market rules* other than this section 13, and the *force majeure* provisions of section 13.3 shall apply to any agreement or contract referred to in these *market rules* or in any policy, guideline or other document referred to in section 7.7 or any *market manual* to which the *IESO* and a *market participant* are parties or to the terms of which the *IESO* and a *market participant* are bound and to all acts or omissions of the *IESO* or the *market participant* in the exercise or performance or the intended exercise or performance of any power or obligation under such agreement, contract, policy, guideline or other document referred to in section 7.7 or any *market manual*. In the event of an inconsistency between such liability, indemnification and *force majeure* provisions and the liability, indemnification and *force majeure* provisions of such agreement, the liability and indemnification provisions of sections 13.1 and 13.2 and, where applicable, of any other section of these *market rules*, and the *force majeure* provisions of section 13.3 shall prevail to the extent of the inconsistency.

14. Exemptions

14.1 Scope of Exemptions

14.1.1 As provided in the *Electricity Act, 1998* an *exemption applicant* may apply to the *IESO* for an *exemption* from the application of any obligation or standard which is or may be imposed upon the *exemption applicant* or in respect of the *exemption applicant's facilities* or equipment pursuant to these *market rules*, *market manuals* or to any standard, policy or procedure established by the *IESO* pursuant to these *market rules*.

14.1.2 In this section 14, a reference to an *exemption applicant* shall, where the context so requires, be deemed to include a reference to an *exemption applicant* to whom an *exemption* has been granted by the *IESO Board*.

14.2 Application Process

14.2.1 An *exemption applicant* shall apply for an *exemption* in accordance with the practices and procedures established by the *IESO Board*.

14.3 Effect of Exemption and Monitoring

14.3.1 Failure by an *exemption applicant* to comply with any of the terms and conditions of an *exemption* imposed pursuant to an order of the *IESO Board*, including without limitation any amendments to such terms and conditions, shall constitute a breach of the *market rules*.

14.3.2 An *exemption applicant* to whom an *exemption* has been granted shall from time to time provide to the *IESO* such information as the *IESO* may request for the purposes of monitoring:

14.3.2.1 compliance by the *exemption applicant* with any terms and conditions of the *exemption*; and

14.3.2.2 the progress of implementation of the *exemption* plan forming part of the *exemption application*, as such *exemption* plan may be amended from time to time with the concurrence of the *IESO Board*.

14.4 Reconsideration, Removal or Transfer of Exemptions

14.4.1 Procedures for the reconsideration, removal or transfer of *exemptions* are included in the practices and procedures referred to in section 14.2.1.

14.5 Costs

14.5.1 Where the *IESO Board* has established and included in the practices and procedures referred to in section 14.2.1 the manner in which the *IESO* will recover from each *exemption applicant* the costs of processing its *exemption application* and, where a panel of the *IESO Board* so decides as a term or condition of the *exemption*, an *exemption applicant* other than the *IESO* shall submit to the *IESO* such costs, commit to the *IESO* in such form as the *IESO* considers appropriate to pay such costs, or both, in the manner specified in the practices and procedures referred to in section 14.2.1.

14.5.2 Where the removal or reconsideration of an *exemption* granted to a *pre-existing facility or equipment* prior to *market commencement date* was prompted as a result of the activities of one or more *market participants* and the *IESO* determines that such *market participant(s)* will benefit from the removal or reconsideration of the *exemption*, unless the costs to be incurred by the *exemption applicant* to comply with the standard of obligation to which the *exemption* relates or with the amended terms and conditions of the *exemption* as the case may be, are recoverable by means of a process or procedure mandated by the *OEB*, costs shall be recovered from each such *market participant* on a pro-rata basis based upon the *IESO's*

assessment of the benefit accruing to each such *market participant* from the removal or reconsideration of the *exemption*. No costs shall be recoverable in respect of the removal or reconsideration of an *exemption* granted after the *market commencement date*.

- 14.5.3 The costs that may be collected and remitted pursuant to section 14.5.2 shall be calculated by the *IESO* by subtracting from the costs to be incurred by the *exemption applicant* to comply with the standard or obligation to which the *exemption* relates or with the amended terms and conditions of the *exemption*, as the case may be, the value of any benefit determined by the *IESO* as accruing to the *exemption applicant* as a result of its compliance with such standard or obligation or such amended terms and conditions.
- 14.5.4 Where an *exemption* was granted to a *pre-existing facility or equipment* prior to *market commencement date* but section 14.5.2. is not applicable, the costs will be recovered from one or more of the following classes of *market participants* as determined by the *IESO*:
- 14.5.4.1 all *market participants* on a pro-rata basis based upon their respective allocated quantities of *energy* withdrawn at all *delivery points*, determined in accordance with MR Ch.9, during such period as may be specified by the *IESO*;
- 14.5.4.2 all *market participants* on a pro-rata basis based upon their respective allocated quantities of *energy* injected at all *delivery points*, determined in accordance with MR Ch.9, during such period as may be specified by the *IESO*;
- 14.5.4.3 all *market participants* on a pro-rata basis based upon their respective allocated quantities of *energy* withdrawn at all *intertiemetering points*, determined in accordance with MR Ch.9, during such period as may be specified by the *IESO*; and
- 14.5.4.4 all *market participants* on a pro-rata basis based on their respective allocated quantities of *energy* injected at all *intertie metering points*, determined in accordance with MR Ch.9, during such period as may be specified by the *IESO*.

14.6 Need for Rule Amendment

- 14.6.1 Where the *IESO* determines that the benefit of an *exemption* should be extended to all *market participants* or persons or to a class of *market participants* or persons the *IESO* may:
- 14.6.1.1 where the *exemption* was granted prior to the date on which MR Ch.3 s.4 comes into force, recommend to the *IESO Board* that it advise the *Minister* that an *amendment* to the *market rules* be made accordingly; or

14.6.1.2 where the *exemption* was granted after the date on which MR Ch.3 s.4 comes into force, recommend to the *IESO Board* that the *amendment* process set forth in MR Ch.3 s.4 be initiated with a view to *amending* the *market rules* accordingly.