



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00343-R00		
Subject:	Market Administration		
Title:	Clarify Recourse Mechanisms for Market Manuals		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	3	Appendix:	
Sections:	2.2		
Sub-sections proposed for amending:	2.2.1.1, 2.2.3.12		

PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Draft for Technical Panel Review	April 15, 2008
2.0	Published for Stakeholder Review and Comment	May 1, 2008
3.0	Draft for Technical Panel Vote - deferred	June 3, 2008
4.0	Draft for Technical Panel Vote	June 26, 2008
5.0	Recommended by Technical Panel: Submitted for IESO Board Approval	July 8, 2008
6.0	Approved by IESO Board	September 5, 2008
Approved Amendment Publication Date:	September 11, 2008	
Approved Amendment Effective Date:	December 10, 2008	

PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

Provide a brief description of the following:

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

Summary

This amendment proposes changes to the dispute resolution market rules (Chapter 3, section 2.2.1.1) to clarify that the market rule provisions regarding dispute resolution apply to disputes between market participants and the IESO over provisions in market manuals.

The need for this clarification was identified by Ontario Power Generation and would add additional transparency to the market rules regarding the application of dispute resolution – refer to R00.

This amendment also proposes to add the defined term “market manual” wherever the existing market rules contain the phrase “any standard, policy or procedure established by the IESO pursuant to the these market rules” to make it explicit that the relevant provisions apply to market manuals – refer to R00, R01 and R02.

Background

In February 2007, the IESO provided the Technical Panel with a listing of recourse mechanisms available to market participants for disagreements concerning market manual changes. One of the mechanisms listed was the dispute resolution process.

Chapter 3, section 2.2.1.1 of the market rules indicates that the dispute resolution procedures apply to “any dispute between the IESO and any market participant which arises under the market rules”. It is the IESO’s opinion that this would include market manuals because market manuals arise from the market rules.

A generator representative on the Technical Panel did not agree that the existing market rules clearly provide for dispute resolution to be used to resolve disagreements regarding market manual changes because the section only references “market rules” with no explicit statement about “any standard, policy or procedure”. It was noted that the lack of such an explicit statement is in contrast with the language regarding the application of the exemption process. Section 14.1.1 of Chapter 1 states that the exemption process applies to “any standard, policy or procedure established by the IESO pursuant to these market rules”.

The representative suggested that the market rules be amended such that the language regarding the application of the dispute resolution process is consistent with the language regarding the application of the exemption process. In addition, the IESO is proposing to add the defined term “market manuals” wherever the phrase “any standard, policy or procedure established by the IESO pursuant to these market rules” appears. This change is being proposed by the IESO in response to stakeholder feedback. The IESO’s position is that the word “procedure” in this phrase includes market manuals so this amendment would make it explicit that the relevant provisions apply to market manuals.

Discussion

PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

In order to provide certainty that the dispute resolution process applies to market manuals, it is proposed to amend Chapter 3, section 2.2.1.1 such that it is explicit that the dispute resolution process applies to any market manual, standard, policy, or procedure established by the IESO pursuant to the market rules.

It should be noted that the application of the dispute resolution process would continue to be subject to the conditions listed under sections 2.2.3 and 3.8 of Chapter 3 and to section 8.8.1 of Chapter 2.

For consistency, it is also proposed to add the defined term “market manuals” to section 2.2.3.12 of Chapter 3 since it contains the phrase “any standard, policy or procedure established by the IESO pursuant to the these market rules”.

PART 4 – PROPOSED AMENDMENT**2.2 Application**

2.2.1 Subject to sections 2.2.3 and 3.8 and to section 8.8.1 of Chapter 2, the dispute resolution regime provided for in this section 2 shall apply to:

2.2.1.1 any dispute between the *IESO* and any *market participant* which arises under the *market rules*, [market manuals or any standard, policy or procedure established by the IESO pursuant to these market rules](#), including with respect to any alleged violation or breach thereof, whether or not specifically identified in the *market rules* as a dispute to which this section 2 applies;

.....

2.2.3 The dispute resolution process provided for in this section 2 shall not apply to the following:

2.2.3.1 applications by any person to review a *market rule*, which applications shall be governed by section 4;

2.2.3.2 disputes with respect to a proposal to *amend* or not to *amend* any provision of the *market rules*;

2.2.3.3 disputes between the *IESO* and a *market participant* relating to the quantum of the fees chargeable by the *IESO* to the *market participant* to the extent that such fees have been approved by the *Ontario Energy Board*, unless the dispute relates to the manner of calculation of the fees payable by the *market participant* in any given case;

2.2.3.4 [Intentionally left blank]

- 2.2.3.5 disputes between the *IESO* and a *market participant* relating to a *suspension order* issued by the *IESO*, which shall be governed by sections 6.3.15 to 6.3.20, or to a *termination order* issued by the *IESO*, in respect of which an appeal may be filed with the *Ontario Energy Board* pursuant to section 36 of the *Electricity Act, 1998*;
- 2.2.3.6 disputes between the *IESO* and a *market participant* to the extent that the *licence* of the *IESO* or of the relevant *market participant* provides for an alternative dispute resolution mechanism;
- 2.2.3.7 disputes between the *IESO* and a *market participant* relating to the standards, criteria or requirements established by a *standards authority* to the extent that an agreement with the relevant *standards authority* provides for an alternative dispute resolution mechanism;
- 2.2.3.8 an award of an *arbitrator* made pursuant to this section 2;
- 2.2.3.9 any dispute with respect to which these *market rules*, other than this section 2, provide for an alternative dispute resolution mechanism;
- 2.2.3.10 any dispute with respect to which these *market rules*, other than this section 2, provide for the non-application of the dispute resolution process provided for in this section 2; and
- 2.2.3.11 a decision of a panel of the *IESO Board*:
- (a) granting or rejecting an *exemption application*;
 - (b) respecting the terms and conditions of an *exemption*, other than with respect to the quantum of the costs payable by the *exemption applicant* or one or more *market participants* pursuant to Chapter 1, section 14.5;
 - (c) removing or amending an *exemption* or the terms and conditions thereof, other than with respect to the quantum of the costs referred to in Chapter 1, section 14.5;
 - (d) approving or denying the transfer of an *exemption*; or
 - (e) respecting *confidential information* provided to the *IESO* as part of or in respect of an *exemption application* including, without limitation the disclosure thereof; and
- 2.2.3.12 when considering an *exemption application*, including for certainty a reconsideration or transfer of an *exemption*, a determination or decision by a panel of the *IESO Board* regarding the interpretation of the provisions of any *market rule*, [market manual](#) or any standard, policy or procedure established by the *IESO* pursuant to the *market rules*.
- 2.2.3.13 [Intentionally left blank – section deleted]

PART 5 – IESO BOARD DECISION RATIONALE

This change provides greater transparency and clarification to the market rules; specifically identifying that the market rule provisions regarding dispute resolution, exemption applications and other applicable definitions also apply to market manuals.



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00343-R01		
Subject:	Market Administration		
Title:	Clarify Recourse Mechanisms for Market Manuals		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	1	Appendix:	
Sections:	14.1		
Sub-sections proposed for amending:	14.1.1		

PART 2 – PROPOSAL HISTORY – REFER TO MR-00343-R00

Version	Reason for Issuing	Version Date
Approved Amendment Publication Date:		
Approved Amendment Effective Date:		

PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

Provide a brief description of the following:

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

Summary

Refer to MR-00343-R00

Background

Refer to MR-00343-R00

Discussion

It is proposed to amend Chapter 1, section 14.1.1 to make it explicit that the exemption process applies to any market manual, standard, policy, or procedure established by the IESO pursuant to the market rules.

PART 4 – PROPOSED AMENDMENT

- 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*.

PART 5 – IESO BOARD DECISION RATIONALE

Refer to MR-00343-R00.



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00343-R02		
Subject:	Market Administration		
Title:	Clarify Recourse Mechanisms for Market Manuals		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	11	Appendix:	
Sections:			
Sub-sections proposed for amending:			

PART 2 – PROPOSAL HISTORY – REFER TO MR-00343-R00

Version	Reason for Issuing	Version Date
Approved Amendment Publication Date:		
Approved Amendment Effective Date:		

PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

Provide a brief description of the following:

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

Summary

Refer to MR-00343-R00

Background

Refer to MR-00343-R00

Discussion

Since the Chapter 11 definitions of “dispatch scheduling error” and “exemption” contain the phrase “any standard, policy or procedure established by the IESO pursuant to these market rules”, it is proposed to add a reference to “market manuals” in those definitions for consistency with the amendments proposed under R00 and R01.

PART 4 – PROPOSED AMENDMENT

dispatch scheduling error means an error made by the *IESO* in the *real-time dispatch process*, in circumstances where these *market rules*, [market manuals](#) or any standard, policy or procedure established by the *IESO* pursuant to these *market rules* do not admit of any deviation or departure from such *real-time dispatch process*;

exemption means an exclusion from one or more specific obligations or standards which are or may be imposed on the *exemption applicant* or in respect of the *exemption applicant’s facilities* or equipment pursuant to the *market rules*, [market manuals](#) or from any standard, policy or procedure established by the *IESO* pursuant to the *market rules*;

PART 5 – IESO BOARD DECISION RATIONALE

Refer to MR-00343-R00.