



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:	2.2.1		
Sub-sections proposed for amending:	2.2.1.1		

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
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

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.

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.

Discussion

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 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.

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* 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;

PART 5 – IESO BOARD DECISION RATIONALE

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