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## Market Rule Amendment Proposal

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### PART 1 – MARKET RULE INFORMATION

Identification No.:	<b>MR-00344-R00</b>		
Subject:	<b>General</b>		
Title:	<b>Minor Amendments Omnibus 2008</b>		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	Various	Appendix:	
Sections:	Various		
Sub-sections proposed for amending:	Various		

### PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Submit for Technical Panel Review and Comment	16 April 2008
2.0	Recommended by Technical Panel and Submitted for IESO Board Approval	23 April 2008
3.0	Approved by IESO Board	19 June 2008
Approved Amendment Publication Date:	26 June 2008	
Approved Amendment Effective Date:	10 September 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 seven minor amendments to the market rules. These amendments are either of a typographical or non-material procedural nature. The amendments relate to a number of different areas of the market rules, and have been submitted as single “omnibus” amendment as an efficient means of considering all the identified changes.

#### Background

Minor market rule amendments are defined in Chapter 11 of the market rules as:

“*minor amendment*, in respect of the *market rules*, means an *amendment to the market rules* to correct a typographical or grammatical error, or to effect a change of a non-material procedural nature;”

Over the past year IESO staff and stakeholders have identified the need for seven minor market rule amendment, described below. These amendments are judged to meet the definition of minor amendments as they are either typographical (#2, #3, #6) or of a non-material procedural nature (#1, #4, #5, #6).

#### Discussion

##### #1. Delete Obsolete Defined Terms and Rule Provisions related to Transitional Arrangements

“Cost assessment” is a defined term in Chapter 11 of the market rules. These cost assessments relate to section 3A.1.1 of Chapter 2 which were market rules governing transitional arrangements necessary prior to market commencement. The transitional arrangement market rules were removed from the market rules under MR-00320<sup>1</sup>. The defined term “cost assessment” was inadvertently left in the market rules and should be deleted as it has no relevance in the existing market rules.

Section 2.2.3.13 of Chapter 3 is also related to the deleted market rules governing transitional arrangements. This section 2.2.1.13 was inadvertently left in the market rules when MR-00320 was

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<sup>1</sup> Refer to approved MR-00320 published on the IESO public web site at the following link:

[http://www.theimo.com/imoweb/pubs/mr2006/MR\\_00320-R00-R03-BA.pdf](http://www.theimo.com/imoweb/pubs/mr2006/MR_00320-R00-R03-BA.pdf)

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approved and should be removed.

**#2. Correct references and cross-references**

Section 2.7.29A of Chapter 3 cross-reference to “section 2.2.21” should be to “section 2.2.2.1” There is no section 2.2.21 in Chapter 3. Section 2.7.29A deals with disputes related to station service. Section 2.2.2.1 of Chapter 3 specifies provisions related to disputes over connection station service.

In section 9.1.5 of Chapter 2 cross reference to “Chapter 6 sections 6.6.8.2b and 6.8.5.3b” should be to “Chapter 9 sections 6.6.8.2b and 6.8.5.3b” as the referenced sections are in Chapter 9 not in Chapter 6.

In section 7.10 of Chapter 5, all references to “section 7.11” are typographical errors and should be changed to “section 7.10”.

Section 12.1.1 of Chapter 5 contains a cross-reference to section 12.2.1.2. There is no section 12.2.1.2 in Chapter 5. Section 12.2.3.2 does specify that the IESO may direct other methods of communication between market participants and the IESO.

Section 1.3A.1 of Appendix 6.5 contains a cross reference to “section 6.1.2A”. The correct cross-reference should be to “section 6.1.2A of Chapter 6”. This change is necessary as the cross-referencing convention of the market rules is that “a reference in a Chapter of the market rules to a section is to a section of that Chapter”<sup>2</sup>. Cross-reference to “section .... 6.1A.2.2 of Chapter 10” should be to “section .... 6A.1.2.2 of Chapter 10”.

**#3. Correct spelling errors**

In Chapter 2 section 5.8.5 the term “license” should be “licence”. “Licence” is the noun and is the correct term in this provision. “License” is a verb.

**#4. Update reference to standard for letters of credit**

Appendix 2.2 section 1.6.1 refers to The Uniform Customs and Practice for Documentary Credits, 1993 Revision, ICC Publication No. 500 as one of the standards for a letter of credit. That standard was updated in July 2007. The reference should now read should read: “2007 Revision, ICC Publication No. 600”. This standard changes infrequently (five times in the last 50 years) and so a more general reference to accommodate future changes is not necessary.

**#5. General Clarifications**

Section 1.5.2 of Appendix 6.3: insert “load” before facility to improve transparency of the application of this provision.

**#6. Correct errors in Chapter 8 and Chapter 9**

Section 4.19.6 of Chapter 8: insert “*account*” after “*TR clearing*” in the second last line.

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<sup>2</sup> Refer to section 7.1.1.7 of Chapter 1 of the market rules.

**PART 3 – EXPLANATION FOR PROPOSED AMENDMENT**

In Chapter 8, replace “IMO” references with “IESO” to reflect the organization name change.

Section 6.14.4.1 of Chapter 9 requires clarification. The provisions referenced in section 6.14.4.1(b) deal with shortfalls in the TR clearing account, while the balance of section 6.14.4 implies application with respect to shortfalls in the TR clearing account. The entire section 6.14.4.1 should identify explicitly that shortfalls in the TR clearing account are grounds for the IESO to borrow short-term funds.

**PART 4 – PROPOSED AMENDMENT**

**#1. Delete Obsolete Defined Terms and Rule Provisions related to Transitional Arrangements**

**Chapter 11 Definitions**

~~*cost assessment* means a monetary amount assessed by the IESO as a result of a person’s failure to meet a deadline pursuant to section 3A.1.1 of Chapter 2;~~

**Chapter 3 section 2.2.3.13 (Dispute Resolution)**

**2.2 Application**

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

.....

- 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* or any standard, policy or procedure established by the *IESO* pursuant to the *market rules*; ~~and~~
- 2.2.3.13 ~~any dispute relating to the *IESO* making estimates and assumptions and limiting participation in the *IESO*-administered market pursuant to the transitional arrangements of Chapter 3, section 3A.1.5.~~ [Intentionally left blank – section deleted]

## #2. Correct references and cross-references

### Chapter 2 section 2.2.29A

- 2.7.29A In the case of a dispute referred to in section ~~2.2.21~~2.2.2.1, the *arbitrator* may:
- 2.7.29A.1 determine an alternative apportionment of the *energy* associated with *connection station service* and with site specific losses amongst all applicable *market participants*; and
- 2.7.29A.2 determine whether, and the extent to which, any such alternative apportionment should be applied, by means of payments amongst the applicable *market participants*, to any period prior to the date on which the *IESO* gives effect to the proportions filed pursuant to section 2.1A.6B of Chapter 9.

### Chapter 2 section 9.1.5

- 9.1.5 A person who ceases to be a *market participant* shall remain subject to and liable for all of its obligations and liabilities as a *market participant* including, but not limited to, a liability under section 8 and an *adjustment period allocation* debit under Chapter ~~69~~, sections 6.6.8.2b and 6.8.5.3b resulting from an event that occurred while such person was a *market participant*, which were incurred or arose under the *market rules* prior to or on the *trading day* on which it ceases to be a *market participant* regardless of the date on which any claim relating thereto may be made.

## Chapter 5 section 7.10

**7.10 IESO Actions****Actions Within Next Twelve Months**

7.10.1 If the *IESO* identifies an adverse condition on the *IESO-controlled grid* that requires action to be initiated within the next twelve months in order to maintain the *reliability* of the *IESO-controlled grid*, the *IESO* may:

- conduct and *publish* a *reliability* assessment in accordance with section 7.3.1.5; and
- take any additional steps necessary to ensure that the *reliability* of the *IESO-controlled grid* is maintained.

7.10.2 If the *IESO* does not believe that *market participants* have or will voluntarily put forward reasonable commitments for technically feasible options to alleviate the condition identified in section 7.4+10.1, the *IESO* may direct the *transmitter(s)* in the relevant location(s) to prepare a detailed proposal for the enhancement of the *IESO-controlled grid*. The *transmitter(s)* shall submit the proposal to the *OEB*, the *OPA*, and other governmental agencies having authority to approve the proposal, in the form of an application for approval of the enhancement. The *IESO* shall notify the *OEB* and the *OPA* of its identification of the adverse condition.

**Actions Beyond the Next Twelve Months**

7.10.3 If the *IESO* identifies an adverse condition on the *IESO-controlled grid* that does not require action to be initiated within the next twelve months, the *IESO*:

- shall notify the *OEB* and the *OPA* of its determination; and
- may provide support to the *OPA* in the *OPA*'s assessment of the options that may be available for *market participants* or others to remove or alleviate the condition.

**Actions Independent of IESO Recommendations**

7.10.4 Nothing in this section 7.4+10 is intended to limit the ability of any *market participant* to file for approval a proposal to invest in *facilities* on the *integrated power system* that are not the subject of specific recommendations made by the *IESO*. A *market participant* interested in sponsoring a new or modified *connection* to the *IESO-controlled grid* may submit a *request for connection assessment* in accordance with section 6.1.6 of Chapter 4.

**Chapter 5 section 12.1.1**

## 12.1 Communication Methods

### 12.1.1 Communication between the *IESO* and:

- 12.1.1.1 market participants;
- 12.1.1.2 *embedded generators* required by Appendix 2.2 of Chapter 2 to provide or install and maintain voice communication facilities, facilities relating to monitoring and control or both; and
- 12.1.1.3 *embedded load consumers* required by Appendix 2.2 of Chapter 2 to provide or install and maintain voice communication facilities, facilities relating to monitoring and control or both,

shall take place through a combination of methods as identified in Appendix 2.2 of Chapter 2 and as directed by the *IESO* pursuant to section 12.2.43.2.

### 12.1.2 For the purposes of section 12.1.1, the *IESO* shall provide and maintain, at its cost, a dedicated, real-time communication network from the *IESO*'s facilities to the communication terminal point between such network and:

- 12.1.2.1 the monitoring and control devices; and
- 12.1.2.2 where applicable, the *dispatch workstation*

of the persons referred to in sections 12.1.1.1 to 12.1.1.3 to enable communication between the *IESO* and such persons.

### 12.1.3 The *IESO* shall provide real-time communication network channels to the persons referred to in sections 12.1.1.1 to 12.1.1.3 as follows:

- 12.1.3.1 one communication channel and, where available and justified for *reliable* operation of the *IESO-controlled grid* and efficient operation of the *IESO-administered markets*, a redundant physically diverse communication channel, for:
  - a. each *facility* to which the high performance information monitoring standard applies in accordance with Appendices 4.19 to 4.23 of Chapter 4, and
  - b. each *facility* that is providing monitoring information for two or more *facilities*;
- 12.1.3.2 one communication channel for each *facility* to which the medium performance information monitoring standard applies in accordance with Appendices 4.19 to 4.23 of Chapter 4.
- 12.1.3.3 [Intentionally left blank]
- 12.1.3.4 [Intentionally left blank]

12.1.3.5 [Intentionally left blank]

12.1.4 The *IESO* may, in respect of a given *facility*, provide additional real-time network communication channels in addition to those referred to in section 12.1.3 where the *IESO* considers, based on the size and location of the *facility*, and, where applicable, the number of *facilities* monitored at a single *facility*, that such additional channels are desirable for purposes of maintaining the *reliability* of the *IESO-controlled grid*.

12.1.5 Where a market participant wishes to submit dispatch data, physical bilateral contract data, EFM bids or EFM offers in the day-ahead energy forward market or TR bids or TR offers in the TR market using private network dedicated communication links, all costs associated with such use, including but not limited to the cost of the provision and maintenance of the required communication channel, shall be borne by the market participant.

12.1.6 Where problems exist which require methods of communication other than those referred to in section 12.1.1, such alternative communication capabilities as shall be selected by the *IESO*, including facsimile capability, shall be used.

## 12.2 Voice Communication

12.2.1 [Intentionally left blank]

12.2.2 [Intentionally left blank]

12.2.3 Each market participant, embedded generator and embedded load consumer shall provide and maintain:

12.2.3.1 the applicable voice communication facilities required by Appendix 2.2 of Chapter 2 and that meet the requirements of that Appendix; and

12.2.3.2 such additional or other voice communication facilities as the *IESO* may direct in respect of *facilities* that the *IESO* considers to be significant for purposes of maintaining the *reliability* of the *IESO-controlled grid*.

### Appendix 6.5 section 1.3A.1

## 1.3A Transmitter Confirmation of Meter Point Documentation

1.3A.1 No *metering service provider* to whom a request has been made pursuant to section 6.1.2A [of Chapter 6](#) shall submit to the *IESO* the *meter point*



documentation referred to in section 1.3 in respect of a *metering installation* that will be used for the calculation and collection of charges for *transmission service* unless the relevant portion of the *meter point* documentation is accompanied by the confirmation of the approval of each applicable *transmitter* referred to in sections 3.1.3, 5.1.3, 6.1.3 or 6A.1A.2.2 of Chapter 10, as may be applicable.

### #3. Correct Spelling Errors

#### Chapter 2 section 5.8.5

5.8.5 If the *market participant* is an unrated *distributor*, the *IESO* shall determine the dollar amount of any allowable reduction in the *market participant's prudential support obligation* by an amount equal to the monetary value prescribed, by the table below:

Good Payment History Categories for Distributors	Allowable Reduction in Prudential Support
≥6 years	Lesser of 70% of <i>maximum net exposure</i> or \$7,000,000
≥5 years, <6 years	Lesser of 60% of <i>maximum net exposure</i> or \$6,000,000
≥4, <5 years	Lesser of 40% of <i>maximum net exposure</i> or \$5,000,000
≥3, <4 years	Lesser of 30% of <i>maximum net exposure</i> or \$4,000,000
≥2, <3 years	Lesser of 20% of <i>maximum net exposure</i> or \$3,000,000
<2 years	0

For purposes of this section 5.8.5, the historical payment history of a *distributor* that is the transferee under a transfer by-law made pursuant to subsection 145(1) of the *Electricity Act, 1998* shall be deemed to include the historical payment history of the *distributor* whose [license licence](#) has been transferred to the transferee under such by-law. For purposes of this section 5.8.5, the historical payment history of a *distributor* that is the successor at law to two or more *distributors*, shall be deemed to include the historical payment history of the predecessor *distributors*.

### #4. Update Standard for Letter of Credit Used for Prudential Support

#### Appendix 2.2 section 1.6.1

## 1.6 Prudential Support by way of Letter of Credit

Where a portion of the *market participant's prudential support* is in the form of a letter of credit pursuant to section 5.7.2.1 of Chapter 2, the following provisions shall apply:

- 1.6.1 the letter of credit shall provide that it is issued subject to either The Uniform Customs and Practice for Documentary Credits, [1993-2007](#) Revision, ICC Publication No. [500-600](#) or The International Standby Practices 1998;

## #5. General Clarifications

Appendix 6.3 section 1.5.2

## 1.5 Frequency of Routine Testing

1.5.2 Each *metering service provider* shall conduct the routine tests referred to in sections 1.2 to 1.3 of this Appendix in respect of each *metering installation* for which it acts as a *metering service provider*, that is not a *main/alternate metering installation* and that is associated with a *load facility* that has an average annual maximum monthly load of 10 MW or more as follows:

- 1.5.2.1 once every 3 months following the date of registration of the *metering installation*, in the case of the procedure referred to in section 1.2.1; and
- 1.5.2.2 once every six months following the date of registration of the *metering installation*, in the case of each of the procedures referred to in sections 1.3.1.

## Chapter 6 section 11.1.4

11.1.4 Where an *outage* or malfunction of or the defect in a *metering installation* is not rectified in accordance with and within the time period specified in section 11.1.2.1, 11.1.2.2, 11.1.3.2 or 11.1.3.3 and is, in the *IESO's* opinion, likely to have a significant impact on one or more *market participants* other than the *metered market participant* for that *metering installation*, the *IESO* shall so notify the *metered market participant* for that *metering installation*. Within one *business day* of receipt of such notice, the *metered market participant* shall notify the *IESO* as to the:

- 11.1.4.1 [Intentionally left blank]

11.1.4.2 [Intentionally left blank]

11.1.4.3 corrective action taken or arranged by the *metered market participant* to rectify the *outage* or malfunction of or the defect in the *metering installation*.

— The *IESO* shall estimate the *metering data* for *settlement* purposes in accordance with section 11.1.4A from the date referred to in section 11.1.5 until the date on which the *outage* or malfunction of or defect in the *metering installation* is rectified.

## **#6. Correct errors in Chapters 8 and 9, including changing IMO references to IESO**

### **Chapter 8 Section 4.19.6**

4.19.6 Where, in respect of a given *TR auction*, the aggregate amount received by the IMO-IESO in respect of the purchase of *transmission rights* is less than the aggregate amount payable by the IMO-IESO in respect of the sale of *transmission rights* in that *TR auction*, the shortfall shall be funded first by use of all funds from the *TR clearing account* and then, by the borrowing of short-term funds in accordance with section 6.14.4 of Chapter 9.

### **Chapter 9 section 6.14.4.1**

6.14.4 The *IESO* shall be authorised to borrow short-term funds to clear the credits in any *settlement* cycle only if the following conditions are met:

6.14.4.1 there are insufficient funds remitted into the *IESO settlement clearing account* or TR clearing account to pay all applicable *market creditors* due for payment from the funds in the *IESO settlement clearing account* or TR clearing account, and clear the *IESO settlement clearing account* or TR clearing account on a given *IESO payment date*, due to:

- a. payment default by one or more *market participants* in the *day-ahead energy forward market* or the *real-time markets*; or
- b. the circumstances referred to in section 4.19.2 or 4.19.6 of Chapter 8;

6.14.4.2 [Intentionally left blank]

**PART 5 – IESO BOARD DECISION RATIONALE**

This amendment corrects a number of non-material errors in the market rules.