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## Market Rule Amendment Proposal

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### PART 1 – MARKET RULE INFORMATION

Identification No.:	<b>MR-00346-R00</b>		
Subject:	<b>Demand Response</b>		
Title:	<b>Eliminate the Hour-Ahead Dispatchable Load Program -Definitions</b>		
Nature of Proposal:	<input type="checkbox"/> Alteration	<input checked="" type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	11	Appendix:	
Sections:			
Sub-sections proposed for amending:			

### PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Submitted for Technical Panel Review and Note	August 5, 2008
2.0	Recommended by Technical Panel; Published for Stakeholder Review and Comment; Submitted for IESO Board Approval.	August 12, 2008
3.0	Approved by IESO Board	September 5, 2008
Approved Amendment Publication Date:	11 Sep 08	
Approved Amendment Effective Date:	10 Dec 08	

**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**

It is proposed to eliminate the Hour-Ahead Dispatchable Load (HADL) program for the following reasons:

1. The program is no longer in use.
2. With the advent of the Ontario Power Authority (OPA) Demand Response 1 (DR1) program, HADL has become redundant;
3. To eliminate IESO costs to maintain the settlement systems and processes to support the program.

To effect the elimination of the HADL program, all market rule references to the program would be deleted.

**Background**

The IESO introduced the Hour Ahead Dispatchable Load (HADL) program in June 2003 to enable the price-responsiveness of non-dispatchable loads by allowing them to lock in price in exchange for a reduction in consumption.

Under the HADL program:

- The participant load submits an offer to the IESO indicating the amount of energy it will reduce in real-time if the pre-dispatch energy price exceeds a certain level. The offer is submitted at least three hours prior to the dispatch hour.
- If the three-hour ahead pre-dispatch price is higher than the load's offer price, the IESO will send dispatch instructions to the load to reduce its consumption.
- If the real-time price turns out to be lower than the offer price, the load will be compensated via the Hour Ahead Dispatchable Loads Offer Guarantee (HADLOG).

Only non-dispatchable loads (including embedded loads) can participate in the HADL program.

The IESO is proposing elimination of HADL for the following reasons:

1. The program is no longer in use;
2. With the advent of the Ontario Power Authority (OPA) Demand Response 1 (DR1) program, HADL has become redundant;
3. To eliminate IESO costs to maintain the settlement systems to support the program.

## PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

### HADL is No Longer in Use

The HADL program has not been used since the fourth quarter of 2005 and the eligible market participants have expressed no interest to participate in it in the future.

### OPA DR1 Program

The Ontario Power Authority's (OPA) DR1 program, launched in 2005, is comparable to the HADL program. The objective of the DR1 program is "to encourage short term demand response capacity in response to the IESO Three-Hour Ahead Pre-Dispatch price signal in the electricity market. The DR1 is 'market based', designed for participation by consumers who can curtail load in response to economic signals, primarily using existing equipment and processes."<sup>1</sup>

As of 2008 quarter 1, the OPA's DR1 program had 11 participants with overall contracted capacity of 326.9 MW, peak curtailment of 233.2MW and average curtailment of 111MW.<sup>2</sup> DR1 program's aggregate performance indicates that the program is relatively more active and successful than the HADL.<sup>3</sup>

The OPA's DR1 program makes the IESO's HADL program redundant.

### IESO Cost Savings

There is no ongoing expected HADL operational, management and administrative cost since the program is not in use. However, to meet settlement system audit standards, internal resources with a value of \$10,000 - \$20,000 would have to be dedicated to upgrading the required tools and documentation. Eliminating the program would allow these internal resources to be better utilized within the Corporation.

### References

Description of the HADL program, see: "Quick Takes: Hour Ahead Dispatchable Load"  
[http://www.ieso.ca/imoweb/pubs/training/QT7\\_HADL\\_2003may29.pdf](http://www.ieso.ca/imoweb/pubs/training/QT7_HADL_2003may29.pdf)

Description of OPA's Demand Response Programs:  
<http://www.powerauthority.on.ca/Page.asp?PageID=1212&SiteNodeID=147>

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<sup>1</sup> "Demand Response Programs-DR1 Program."

<http://www.powerauthority.on.ca/Page.asp?PageID=924&SiteNodeID=318>

<sup>2</sup> [http://www.powerauthority.on.ca/Storage/77/7274\\_ConservationRprt08Q1.pdf](http://www.powerauthority.on.ca/Storage/77/7274_ConservationRprt08Q1.pdf)

<sup>3</sup> [http://www.ieso.ca/imoweb/pubs/consult/mep2/MP\\_WG-20080306-Item2\\_OPA-DRP.pdf](http://www.ieso.ca/imoweb/pubs/consult/mep2/MP_WG-20080306-Item2_OPA-DRP.pdf)

**PART 3 – EXPLANATION FOR PROPOSED AMENDMENT****Discussion**

This amendment proposes to delete the following defined terms, which are related to the HADL program, from chapter 11 of the market rules:

- Hour-ahead dispatchable load; and
- Hour-ahead dispatchable load baseline.

This amendment also deletes references to HADL within the definition of ‘offer’.

**PART 4 – PROPOSED AMENDMENT**

*~~hour-ahead dispatchable load means a facility that is subject to dispatch by the IESO and in respect of which an offer for reduction in energy withdrawals in a given dispatch hour is selected or set based on the price of energy in the applicable pre-dispatch schedule for that dispatch hour;~~*

*~~hour-ahead dispatchable load baseline means the profile of energy withdrawals for an hour-ahead dispatchable load determined in accordance with the applicable market manual and that identifies the energy withdrawals that would otherwise have been expected to occur absent an IESO dispatch instruction to the hour-ahead dispatchable load to reduce its energy withdrawals~~*

*~~offer means a statement of the quantities of a commodity that a seller will provide at different market prices for that commodity in the real-time market or the procurement market; or, in the case of an offer related to an hour-ahead dispatchable load, a statement of the energy withdrawals at the facility that the market participant will reduce at different prices in the applicable pre-dispatch schedule;~~*

**PART 5 – IESO BOARD DECISION RATIONALE**

Eliminating the Hour-Ahead Dispatchable Load (HADL) program is appropriate for the following reasons:

1. The program is no longer in use by market participants;
2. With the advent of the Ontario Power Authority (OPA) Demand Response 1 (DR1) program, the HADL program has become redundant; and
3. Elimination of HADL will reduce IESO costs required to maintain the settlement systems and processes to support the program.




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## Market Rule Amendment Proposal

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### PART 1 – MARKET RULE INFORMATION

Identification No.:	<b>MR-00346-R01</b>		
Subject:	<b>Demand Response</b>		
Title:	<b>Eliminate the Hour-Ahead Dispatchable Load Program - System Operations and Physical Markets</b>		
Nature of Proposal:	<input type="checkbox"/> Alteration	<input checked="" type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	7	Appendix:	Various
Sections:	Various		
Sub-sections proposed for amending:			

### PART 2 – PROPOSAL HISTORY-REFER TO MR-00346-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 and Background**

Refer to MR-00346-R00

**Discussion**

This amendment would delete all references in chapter 7 and associated appendices to the HADL program. These references relate to:

- Facility registration;
- Dispatch data submission
- Scheduling and
- Dispatch.

**PART 4 – PROPOSED AMENDMENT**

**2.2 Registered Facilities**

.....

2.2.3.6 the applying *market participant* certifies to the *IESO* in writing that all of the *facilities* and equipment to which its application for registration relates complies with the requirements identified in any applicable *preliminary assessment* or *system impact assessment* associated with that *market participant’s facilities* or equipment; **and**

2.2.3.7 the applying *market participant* certifies to the *IESO* that all of the *facilities* and equipment to which its application for registration relates does not differ materially from the configuration or technical parameters that were used by the *IESO* as the basis for which it issued any applicable approvals for such new or modified *connection* in accordance with section 6.1.14 to 6.1.18 of Chapter 4, unless the applicable *market participant* or *connection applicant* has obtained the approval of the *IESO* for the change in configuration or technical parameter in accordance with section 6.1.22 of Chapter 4; **and**

- 2.2.3.8 ~~subject to sections 2.2.3A and 2.2.3B, in the case of a facility wishing to register as an hour-ahead dispatchable load, the IESO and the applying market participant agree on the methodology of determining compliance with dispatch instructions for that facility, including the means of measuring the actual reduction in energy withdrawals as well as the hour-ahead dispatchable load baseline.~~ [Intentionally left blank-section deleted]
- 2.2.3A ~~The IESO may restrict the number of facilities that can be registered at any point in time as hour-ahead dispatchable loads.~~ [Intentionally left blank-section deleted]
- 2.2.3B ~~The IESO may suspend the operation of the market rules applicable to hour-ahead dispatchable loads, if the operation has an adverse impact on the IESO-administered markets or the reliable operation of the IESO-controlled grid. The IESO shall promptly notify market participants and the IESO Board of such action, with reasons.~~ [Intentionally left blank-section deleted]
- 2.2.6.9 ~~for a facility that will be subject to the IESO's dispatch instructions as an hour-ahead dispatchable load, certification that the facility has a minimum dispatchable load capacity of 1 MW and information regarding the methodology of determining compliance with dispatch instructions, including the means of measuring the actual reduction in energy withdrawals as well as the hour-ahead dispatchable load baseline. Individual facilities or units may be aggregated to meet this minimum capacity requirement if they meet the aggregation requirements of section 2.3.~~ [Intentionally left blank-section deleted]
- 2.2.24 ~~An hour-ahead dispatchable load shall only be registered to participate in the energy market. An hour-ahead dispatchable load shall not be also registered as a dispatchable load facility.~~ [Intentionally left blank-section deleted]

### 3.1 Applicability of this Section

.....

- 3.1.3 ~~The IESO may restrict the operation of the market rules applicable to hour-ahead dispatchable loads. The IESO shall promptly notify market participants of such restrictions, and the reasons for the restrictions. The IESO shall document any such restrictions in the applicable market manual.~~ [Intentionally left blank-section deleted]

### 3.3 Dispatch Data Submissions

.....  
 3.3.3 Subject to sections ~~3.3.4A and~~ 3.3A.8, a *registered market participant* may submit revised *dispatch data* with respect to any *dispatch hour* without restriction until 2 hours prior to the beginning of that *dispatch hour*.

3.3.4 [Intentionally left blank]

3.3.4A ~~A registered market participant may submit revised dispatch data for an hour-ahead dispatchable load with respect to any dispatch hour, without restriction, until 3 hours prior to that dispatch hour. [Intentionally left blank-section deleted]~~

3.3.5 Except as permitted by sections 3.3.4B, 3.3.8, 3.3.9.2 and 3.3.11, no *registered market participant* may, without the approval of the *IESO*, submit revised *dispatch data* with respect to any *dispatch hour* within 2 hours of that *dispatch hour*; ~~or, in the case of an hour-ahead dispatchable load, within 3 hours of that dispatch hour.~~

### 3.4 The Form of Dispatch Data

.....  
 3.4.1.2A ~~for an hour-ahead dispatchable load, an offer to reduce its energy withdrawals from the energy market. Offers accepted result in reductions in purchases in the energy market only to the extent that, for the registered market participant submitting such offers, the total value of the remaining energy taken from the energy market is greater than the total value of physical bilateral contract quantities notified to the IESO in respect of that registered market participant pursuant to Chapter 8; [Intentionally left blank-section deleted]~~

3.4.3.1 ~~subject to section 3.4.3.1A,~~ the quantity in any *price-quantity pair*, other than in the first *price-quantity pair*, shall be a cumulative quantity representing the maximum quantity the *registered market participant* is offering to sell or bidding to buy, respectively, at the associated price in the *price-quantity pair*;

3.4.3.1A ~~for an offer for an hour-ahead dispatchable load, the quantity in any price-quantity pair, other than in the first price-quantity pair, shall be a cumulative quantity representing the maximum quantity by which the registered market participant is offering to reduce its energy withdrawals at the associated price in the price-quantity pair; [Intentionally left blank-section deleted]~~

3.4.5 Every submission of *dispatch data* with respect to a *dispatchable load facility* ~~or an hour-ahead dispatchable load~~ shall specify a *market price of energy*, in



\$/MWh, at and above which the *IESO* may instruct the *facility* to reduce its energy withdrawals ~~either to zero, in the case of a dispatchable load facility, or by the total offered quantity, in the case of an hour-ahead dispatchable load.~~ Such price shall not be greater than *MMCP*.

## 3.5 Energy Offers and Energy Bids

.....

3.5.3 Each *energy offer* or *energy bid* must contain at least 2 and, ~~except for an energy offer for an hour-ahead dispatchable load,~~ may contain up to 20 *price-quantity pairs* for each *dispatch hour*. ~~Each energy offer for an hour-ahead dispatchable load may contain up to 4 price-quantity pairs for each dispatch hour.~~ The price in each such *price-quantity pair* shall be not more than the *Maximum Market Clearing Price* or *MMCP* and not less than the negative *Maximum Market Clearing Price* or negative *MMCP* and shall be expressed in dollars and whole cents per MWh. The quantity in each such *price-quantity pair* shall:

- 3.5.3.1 in the case of a *registered facility* other than a *boundary entity* ~~or an hour-ahead dispatchable load~~, be expressed in MW (or MWh/hour) to one decimal place and shall not be less than 0.0 MW (or 0.0 MWh/hour); or
- 3.5.3.2 in the case of a *registered facility* that is a *boundary entity* ~~or an hour-ahead dispatchable load~~, be expressed in whole MW (or MWh/hour) and shall not be less than 0 MW (or 0 MWh/hour).

## 5.2 Information Used to Determine Pre-dispatch Schedules

- 5.2.1.2 the *IESO*'s own forecasts of *non-dispatchable load*, ~~adjusted using applicable amounts determined pursuant to section 5.6.1,~~ and of generation by *intermittent generators*, *transitional scheduling generators* and *self-scheduling generation facilities* with name-plate ratings of less than 10 MW

## 5.6 ~~Scheduling of Hour-Ahead Dispatchable Loads~~[Intentionally left blank-section deleted]

- 5.6.1 ~~At the time of the determination of the *pre-dispatch schedule* three hours before the *dispatch hour*, the *IESO* shall, on the basis of the projected *energy market price* for that *dispatch hour* as determined in such *pre-dispatch schedule*, determine the aggregate reduction in *energy* withdrawals for all *hour-ahead dispatchable loads* for which *dispatch data* has been submitted for that *dispatch hour*.~~[Intentionally left blank-section deleted]
- 5.6.2 ~~The *IESO* shall, as soon as practicable but no later than two hours before the applicable *dispatch hour*, notify the *registered market participant* for an *hour-ahead dispatchable load* for which the *IESO* has determined a reduction in *energy* withdrawals pursuant to section 5.6.1, the amount of that reduction for that *facility*.~~[Intentionally left blank-section deleted]

## 7.1 Purpose and Timing of Dispatch Instructions

- .....
- 7.1.3B ~~The *IESO* shall issue *dispatch instructions* for each *hour-ahead dispatchable load* for which a *dispatch instruction* is required when the *IESO* notifies the *registered market participant* pursuant to section 5.6.2. The *IESO* shall:~~[Intentionally left blank-section deleted]
- 7.1.3B.1 ~~[Intentionally left blank-section deleted] issue such *dispatch instructions* using the systems and protocols defined in the applicable *market manual*; and~~
- 7.1.3B.2 ~~record and time-stamp all such *dispatch instructions*, store such records for at least seven years and make such records available for the purposes of audit and dispute resolution in accordance with these *market rules*.~~[Intentionally left blank-section deleted]
- 7.1.3C ~~Each *registered market participant* shall acknowledge the receipt of each *dispatch instruction* issued to it in accordance with section 7.1.3B in respect of each of its *hour-ahead dispatchable loads* using the systems and protocols defined in the applicable *market manual* and within the time required by such *market manual*. If the *registered market participant* intends to reduce its *energy* withdrawals at a time earlier than scheduled or for a time longer than scheduled, the *registered market participant* shall so inform the *IESO* as soon as practicable.~~[Intentionally left blank-section deleted]

## 7.3 The Content of Dispatch Instructions

- 7.3.1 The *IESO* shall, subject to section 7.1.1A, issue *dispatch instructions* for each *dispatch interval* to each *registered facility* that is a not a *boundary entity* ~~or an hour ahead dispatchable load~~, indicating for that *dispatch interval*:
- 7.3.1.1 the rate at which *energy* is to be injected into or withdrawn from the *IESO-controlled grid* (in MW) at the end of the *dispatch interval*;
  - 7.3.1.2 the amount of each class of *operating reserve* that is to be in a condition to respond to a *dispatch instruction* issued pursuant to section 7.4.3 calling for additional *energy* production; and
  - 7.3.1.3 the amount of *reactive support* and *regulation* that is to be provided under *contracted ancillary service* contracts or *reliability must-run contracts* or as a consequence of any requirement to provide same which derives from the application of these *market rules*.
- 7.3.2 The *dispatch instructions* for any *registered facility* that is not a *boundary entity* shall:
- 7.3.2.1 be consistent with the current operating status of that *registered facility* and with any operational constraints described in the most recent *dispatch data* submitted by the *registered market participant* for that *registered facility*;
  - 7.3.2.2 be used by the *IESO* for the purpose of declaring the *registered facility* as non-conforming in accordance with section 7.5.4; and
  - 7.3.2.3 ~~in the case of a registered facility that is not an hour ahead dispatchable load and~~ subject to Appendix 7.6, be used in the *IESO settlement process* for determining any *settlement amounts* for congestion management pursuant to section 3.5 of Chapter 9.
- 7.3.3 [Intentionally left blank – [section deleted](#)]
- 7.3.4 The *IESO* shall issue *dispatch instructions* for each *dispatch hour* to each *registered facility* that is a *boundary entity*, indicating for that *dispatch hour*:
- 7.3.4.1 the rate at which *energy* is to be injected into or withdrawn from the *IESO-controlled grid* (in minutes) from the specified *intertie zone*, which rate shall be consistent with all relevant *reliability standards*;
  - 7.3.4.2 the amount of each class of *operating reserve* that is scheduled and the ramp rates associated with the *energy* if called on; and
  - 7.3.4.3 the amount of *reactive support* and *regulation* that is to be provided under *reliability must-run contracts* or as a consequence of any

requirement to provide same which derives from the application of these *market rules*.

- 7.3.5 The dispatch instructions for any registered facility that is a boundary entity shall:
- 7.3.5.1 be consistent with the current *dispatch data* for that *registered facility* and with any *interconnection* limitations associated with the *registered facility*; and
  - 7.3.5.2 be used in the *IESO settlement process* for determining any *settlement amounts* for congestion management pursuant to section 3.5 of Chapter 9.
- 7.3.6 ~~The dispatch instruction for any hour-ahead dispatchable load for a given dispatch hour shall specify that the hour-ahead dispatchable load shall reduce its energy withdrawals by the full amount scheduled by the start of that dispatch hour.~~[Intentionally left blank-section deleted]

## 7.5 Compliance with Dispatch Instructions

- 7.5.4A ~~If repeated failures by an hour-ahead dispatchable load to comply with a dispatch instruction has an adverse impact on the IESO-administered markets, the IESO shall declare the registered facility to be non-conforming and shall take any actions allowed by sections 7.5.5 to 7.5.7 or any other provisions of these market rules which the IESO determines appropriate.~~[Intentionally left blank-section deleted]

## Appendix 7.1 – Energy Offer, Schedule or Forecast Information

- 1.3 ~~Hour-Ahead Dispatchable Load~~[Intentionally left blank-section deleted]**
- 1.3.1 ~~Unique load identifier.~~[Intentionally left blank-section deleted]
  - 1.3.2 ~~[Intentionally left blank-section deleted]Contact information.~~
  - 1.3.3 ~~[Intentionally left blank-section deleted]Hours for which offer applies.~~
  - 1.3.4 ~~[Intentionally left blank-section deleted]Two to four price-quantity pairs for each dispatch hour, the final of which represents the maximum quantity of the offer.~~

# Appendix 7.5 – The Market Clearing and Pricing Process

- 2.2.1.7 forecasts of *energy* expected to be withdrawn by *non-dispatchable loads*; ~~adjusted by amounts equal to the applicable scheduled *energy* withdrawal reductions for *hour-ahead dispatchable loads*;~~

## Part 5 – IESO Board Decision Rationale

Refer to MR-00346-R00.






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## Market Rule Amendment Proposal

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### PART 1 – MARKET RULE INFORMATION

Identification No.:	<b>MR-00346-R02</b>		
Subject:	<b>Demand Response</b>		
Title:	<b>Eliminate the Hour-Ahead Dispatchable Load Program-Hourly Settlement Variables and Data</b>		
Nature of Proposal:	<input type="checkbox"/> Alteration	<input checked="" type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	9	Appendix:	
Sections:	Various		
Sub-sections proposed for amending:			

### PART 2 – PROPOSAL HISTORY- REFER TO MR-00346-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 and Background**

Refer to MR-00346-R00

Discussion

This amendment will delete all references in chapter 9 to the HADL program. These references relate to:

- Determination of hourly settlement amounts.
- Non-hourly settlement amounts.

**PART 4 – PROPOSED AMENDMENT**

**3.1 Hourly Settlement Variables and Data**

.....  
 3.1.10 ~~[Intentionally left blank-section deleted]~~ The *IESO* shall provide the following information to the settlement process for each market participant for each hour-ahead dispatchable load:

- $HADLR_{k,m,h}$  = hour-ahead dispatchable load reduction in energy withdrawals (in MWh) by market participant ‘k’, at delivery point ‘m’, in settlement hour ‘h’, scheduled pursuant to section 5.6 of chapter 7
- BHA = a matrix of up to 4 price-quantity pairs offered by market participant ‘k’, at delivery point ‘m’ in settlement hour ‘h’, for an hour-ahead dispatchable load as described in section 3.5.3 of chapter 7

**3.3 Hourly Settlement Amounts in the Real-Time Energy Market**

.....



3.3.2.2 in respect of a *non-dispatchable load facility*, ~~an hour-ahead dispatchable load~~, a *self-scheduling generation facility*, a *transitional scheduling generator* or *intermittent generator*.

$$\text{NEMSC}_{k,h} = \text{HOEP}_h \times \sum_{t,m} (\text{AQEI}_{k,h}^{m,t} - \text{AQEW}_{k,h}^{m,t} + \sum_s \text{BCQ}_{s,k,h}^{m,t}) - \sum_{n,b,t} (\text{EMP}_h^{n,t} \times \text{BCQ}_{k,b,h}^{n,t})$$

where:

m = all RWMs relating to a *non-dispatchable load facility*, ~~an hour-ahead dispatchable load~~, a *self-scheduling generation facility*, a *transitional scheduling generator* or *intermittent generator*

n = all RWMs and *inertie metering points*

s = all *selling market participants*

b= all *buying market participants*

t = all *metering intervals in settlement hour 'h'*

## 4.7A ~~Settlement Amounts for Hour-Ahead Dispatchable Load Offer Guarantee~~[Intentionally left blank-section deleted]

4.7A.1 ~~A market participant for an hour-ahead dispatchable load shall receive compensation in the form of an hour-ahead dispatchable load offer guarantee, determined in accordance with section 4.7A.2, for a given dispatch hour under the following circumstances:~~[Intentionally left blank-section deleted]

4.7A.1.1 ~~the IESO issued a dispatch instruction to the registered market participant for the hour-ahead dispatchable load for the applicable settlement hour pursuant to section 7.1.3B of Chapter 7; and~~[Intentionally left blank-section deleted]

4.7A.1.2 ~~[Intentionally left blank-section deleted] the calculation of the operating profit function defined in section 4.7A.2 determines a negative value for that hour-ahead dispatchable load scheduled to provide an energy reduction for that settlement hour.~~

4.7A.2 ~~[Intentionally left blank-section deleted]~~ ~~If the conditions specified in section 4.7A.1 exist, then the IESO shall determine the hour-ahead dispatchable load offer guarantee (“HADLOG<sub>k,h</sub><sup>m</sup>”) for market participant ‘k’ at delivery point ‘m’ for settlement hour ‘h’ as follows:~~

Let OP(P,Q,B) be a profit function of Price (P), Quantity (Q) and a 4 x 2 matrix (BHA) of offered *price-quantity pairs* as defined in section 3.1.10 such that:

$$OP(P, Q, BHA) = P \cdot Q - \sum_{i=1}^{s^*} P_i \cdot (Q_i - Q_{i-1}) - (Q - Q_{s^*}) \cdot P_{s^*+1}$$

Where:

~~—————~~  $s^*$  is the highest indexed row of BHA such that  $Q_{s^*} \leq Q \leq Q_{s^*+1}$  and where,  $Q_0 = 0$

Given the above,  $HADLOG_{k,h}^m$  may be expressed as follows:

$$HADLOG_{k,h}^m = (-1) \bullet \text{MIN}[0, OP(HOEP_h, HADLR_{k,h}^m, BHA)]$$

## 4.8 Additional Non-Hourly Settlement Amounts

.....

- 4.8.1.8 ~~any compensation paid in that *energy market billing period* by the IESO pursuant to section 4.7A; [Intentionally left blank-section deleted]~~
- 4.8.2.4 ~~any adjustment to *hour-ahead dispatchable load offer guarantee* payments calculated pursuant to section 6.2.7.7 of chapter 3; [Intentionally left blank-section deleted]~~

### PART 5 – IESO BOARD DECISION RATIONALE

Refer to MR-00346-R00.
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## Market Rule Amendment Proposal

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### PART 1 – MARKET RULE INFORMATION

Identification No.:	<b>MR-00346-R03</b>		
Subject:	<b>Demand Response</b>		
Title:	<b>Eliminate the Hour Ahead Dispatchable Load Program-Compliance</b>		
Nature of Proposal:	<input type="checkbox"/> Alteration	<input checked="" type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	3	Appendix:	
Sections:	6.2		
Sub-sections proposed for amending:			

### PART 2 – PROPOSAL HISTORY- REFER TO MR-00346-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:

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- 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 and Background**

Refer to MR-00346-R00

Discussion

This amendment would delete all references in chapter 3 to the HADL program. These references relate to:

- Accessibility and confidentiality of information.

**PART 4 – PROPOSED AMENDMENT**

6.2.7.5 impose financial penalties in accordance with section 6.6 indicating the time within which payment of the financial penalty must be made to the *IESO*, provided that no such penalties shall be imposed unless the *IESO* is satisfied that the breach could have been avoided by the exercise of due diligence by the *market participant* or that the *market participant* acted intentionally or;

6.2.7.6 take such other action as may be provided for in Appendix 3.1 in respect of the *market rule* that has been breached by the *market participant*. ~~or~~

6.2.7.7 [Intentionally left blank-section deleted] ~~in the event that the breach of the market rules is the failure of a registered market participant to comply with a dispatch instruction to reduce its energy withdrawals from an hour-ahead dispatchable load, as determined by comparing the actual energy withdrawal reduction to the hour-ahead dispatchable load's baseline, and the market participant received a HADLOG payment on the basis of that scheduled reduction, calculate a downward adjustment to the HADLOG payments corresponding to that portion of the reduction amount that was scheduled but not achieved.~~

**PART 5 – IESO BOARD DECISION RATIONALE**

Refer to MR-00346-R00.