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## Market Rule Amendment Proposal

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### PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00357-R00		
Subject:	General		
Title:	Minor Amendment Omnibus 2009		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	Various	Appendix:	
Sections:			
Sub-sections proposed for amending:			

### PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Publish for Stakeholder Review and Comment	8 Apr 09
2.0	Recommended by Technical Panel; Submitted for IESO Board Approval	1 Jun 09
3.0	Approved by IESO Board	18 Jun 09
Approved Amendment Publication Date:	23 Jun 09	
Approved Amendment Effective Date:	9 Sep 09	

### 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 a number of minor amendments to the market rules. These amendments either correct errors in section numbering and cross-references or are of a 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:

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

The IESO has identified a number of minor amendments to the market rules and has grouped them together in this ‘omnibus’ amendment submission. A discussion of each amendment is below.

#### Discussion

##### Changing Remaining ‘IMO’ References to ‘IESO’

Since 2004, when the Independent Market Operator (IMO) became the Independent Electricity System operator (IESO), references to the IMO in the market rules have been changed to IESO as part of other substantive market rule amendments. However, there remain many references to the IMO in the market rules. For clarity and transparency reasons, all remaining market rule references to the IMO should be replaced by IESO.

Chapter 11 defined terms that contain ‘IMO’ should be deleted. These defined terms were left intact in case there were references to those defined terms in other market documentation. Sufficient time has passed since the name change so that no one should be confused by any lingering reference to IMO in other documents.

##### Chapter 5 Section 4.3 - Incorrect Cross-Reference

Section 4.3 of Chapter 5 of the market rules identifies generic performance requirements for the

### PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

provision of ancillary services. In 2001 this section was amended under MR-00118 to delete section 4.3.4<sup>1</sup>. At that time, references to the deleted section 4.3.4 should have been removed. Such a cross-reference is in section 4.3.2 of Chapter 5. It is proposed that this cross-reference be deleted.

#### Chapter 7 Section 2.2B - Incorrect Section Numbering

Section 2.2B of Chapter 7 specifies eligibility criteria for the real-time generator cost guarantee. This section was amended under MR-00324 in late 2006 to remove an unnecessary reference to Ontario<sup>2</sup>. MR-00324, in deleting the reference to Ontario, incorrectly deleted section 2.2B.1.3 and re-numbered the remaining section 2.2B.14 as 2.2B.1.3. This re-numbering was inconsistent with the market rule convention that when deleting sections of the market rules, remaining sections are not to be re-numbered. This convention exists so that cross-references to the remaining sections do not need to be changed.

It is proposed that the existing section 2.2B.1.3 be re-numbered to again become section 2.2B.1.4 and that section 2.2B.1.3 be denoted as [Intentionally left blank – section deleted] as was originally the intent.

#### Chapter 7 Section 2.2C - Unnecessary Reference to Ontario

As noted above, MR-00324 removed unnecessary references to Ontario from the market rules. The reference to Ontario in section 2.2C.1.3 was inadvertently not included in MR-00324. The reason for deleting section 2.2B.1.3 as identified in MR-00324 also applies to section 2.2C.1.3. The definition of ‘facility’ as being located within the IESO-control area provides sufficient specification that the reference to Ontario is unnecessary. It is proposed to delete section 2.2C.1.3 and denote it as [Intentionally left blank – section deleted].

#### Chapter 7 Section 12.1.3.1 – Clarification of System Status Report Contents

Section 12.1.3 of Chapter 7 specifies situations where the IESO must include advisory notices in system status reports. The current wording of section 12.1.3 is not clear that it is a change in generation capacity that would require an advisory notice. It is proposed to add the word “capacity” after “generation” to provide additional clarity.

#### Chapter 9 Section 3.5.7 – IESO Software Capability

Section 3.5.7 of Chapter 9 specifies how the IESO would ‘manually’ adjust market participant CMSC payments for energy offer prices of less than zero dollars per MWh. This manual process would be in place until the IESO has the software capability to make the adjustments automatically. This

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<sup>1</sup> A copy of MR-00118 can be found on the IESO public web site at the following location:  
[http://www.ieso.ca/imoweb/pubs/icms/tp/2009/03/IESOTP\\_223\\_4c\\_MR\\_00118\\_R00\\_R01\\_Amendment\\_Proposal\\_Board\\_Approved.pdf](http://www.ieso.ca/imoweb/pubs/icms/tp/2009/03/IESOTP_223_4c_MR_00118_R00_R01_Amendment_Proposal_Board_Approved.pdf)

<sup>2</sup> A copy of MR-00324 can be found on the IESO public web site at the following location:  
[http://www.ieso.ca/imoweb/pubs/icms/tp/2009/03/IESOTP\\_223\\_4d\\_MR\\_00324\\_R00\\_R01\\_Amendment\\_Proposal\\_Board\\_Approved.pdf](http://www.ieso.ca/imoweb/pubs/icms/tp/2009/03/IESOTP_223_4d_MR_00324_R00_R01_Amendment_Proposal_Board_Approved.pdf)

**PART 3 – EXPLANATION FOR PROPOSED AMENDMENT**

amendment was made under MR-00239 in 2003.

In August 2004, the IESO developed the software capability identified in section 3.5.7 and so section 3.5.7 can now be deleted.

**PART 4 – PROPOSED AMENDMENT****Changing Remaining ‘IMO’ References to ‘IESO’**

A sample section from Chapter 1 shows the nature of the changes proposed.

**4.2 Purposes of Market Rules**

- 4.2.1 Accordingly, the *market rules* include provisions:
- 4.2.1.1 governing the making, *amendment* and *publication* of the *market rules*;
  - 4.2.1.2 governing the conveying of electricity into, through or out of the ~~IMO~~IESO-controlled grid and the provision of *ancillary services*;
  - 4.2.1.3 governing the terms and conditions pursuant to which persons may be authorized by the ~~IMO~~IESO to participate in the ~~IMO~~IESO-administered markets or to cause or permit electricity to be conveyed into, through or out of the ~~IMO~~IESO-controlled grid;
  - 4.2.1.4 governing the manner in which electricity and *ancillary services* are sold, purchased and *dispatched* in the ~~IMO~~IESO-administered markets;
  - 4.2.1.5 governing standards and procedures to be observed in system *emergencies*;
  - 4.2.1.6 authorizing and governing the giving of directions by the ~~IMO~~IESO;
  - 4.2.1.7 authorizing and governing the making of orders by the ~~IMO~~IESO;
  - 4.2.1.8 providing a mechanism for the resolution of certain disputes arising under the *market rules*;
  - 4.2.1.9 providing mechanisms for monitoring, surveillance and investigation of activities in the ~~IMO~~IESO-administered markets and the conduct of *market participants*; and

- 4.2.1.10 providing generally for the exercise by the ~~IMO-IESO~~ of such powers and authority as may be necessary or desirable for the purpose of carrying out its objects in relation to the ~~IMOIESO~~-administered markets and the ~~IMOIESO~~-controlled grid.

### Chapter 5 Section 4.3 - Incorrect Cross-Reference

## 4.3 Generic Performance Requirements for Ancillary Services

- 4.3.1 *Ancillary services* may be provided to the *IESO* only by *registered facilities* as required by Chapter 7. *Ancillary services* may be offered to the *IESO* in its daily and hourly *physical markets* or provided to the *IESO* under *contracted ancillary service* contracts through the *IESO's ancillary services procurement markets* or by means or within the scope of *operating agreements* or another agreement of a similar nature. Prior to entering into a contract with any *ancillary service provider*, the *IESO* shall determine whether the *facilities* and procedures of such *ancillary service provider* meet the requirements for registration as a *registered facility* in respect of the *ancillary service(s)* to be provided and are otherwise in compliance with the technical requirements of this Chapter. The *IESO* shall not contract for *ancillary services* with an *ancillary services provider* whose *facilities* are not in compliance with such requirements.
- 4.3.2 In order to make the determination referred to in section 4.3.1, the *IESO* may, ~~subject to the application of section 4.3.4,~~ require each *ancillary service provider* to demonstrate through physical tests or other appropriate means specified by the *IESO* that the *registered facilities* or equipment that will be used to provide the *ancillary service* meet the performance standards for each *ancillary service* set forth in Appendix 5.1 or in the applicable *market manual*.
- 4.3.3 [Intentionally left blank – ~~section deleted~~]
- 4.3.4 [Intentionally left blank – ~~section deleted~~]

### Chapter 7 Section 2.2B - Incorrect Section Numbering

## 2.2B Generation Facility Eligibility for the Real-Time Generation Cost Guarantee

- 2.2B.1 A *registered market participant* for a *generation facility* shall be eligible for the guarantee of certain elements of its costs, calculated in accordance with section 4.7B of Chapter 9, provided the following criteria are met:

- 2.2B.1.1 the *facility* is not a *quick-start facility*;
- 2.2B.1.2 the *facility* is a dispatchable *generation facility*; and

2.2B.1.3 [Intentionally left blank – section deleted];

2.2B.1.34 the *registered market participant* has, according to the timelines and in the form specified in the applicable *market manual*, submitted to the *IESO* the following data for the *generation facility*: *combined guaranteed costs*; *minimum run-time*; and the *minimum loading point* and that the *IESO* accepts the data as reasonable.

2.2B.2 The *IESO* may, at any time, audit the data submitted in accordance with section 2.2B.1.4 if the *market participant* receives a generation cost guarantee payment pursuant to section 4.7B.3 of Chapter 9 on the basis of that data. If, as a result of such an audit, the *IESO* determines that the actual costs differed from the submitted data, the *IESO* shall recover any resulting over-payments made to the *market participant*.

### Chapter 7 Section 2.2C - Unnecessary Reference to Ontario

## **2.2C Generation Facility Eligibility for the Day-Ahead Generation Cost Guarantee**

2.2C.1 A *registered market participant* for a *generation facility* shall be eligible for the guarantee of certain elements of the *facility's* costs, calculated in accordance with section 4.7D of Chapter 9, provided the following criteria are met:

- 2.2C.1.1 the *facility* is not a *quick-start facility*;
- 2.2C.1.2 the *facility* is a dispatchable *generation facility*; and
- 2.2C.1.3 ~~the *facility* is located within Ontario~~ [Intentionally left blank – section deleted]; and
- 2.2C.1.4 the *registered market participant* has, according to the timelines and in the form specified in the applicable *market manual*, submitted to the *IESO* the following information for the *generation facility*: the *combined guaranteed costs*; the *minimum run-time*; the *minimum loading point*; the *minimum generation block run-time* and any incremental operating and maintenance costs associated with the *facility* start-up and *minimum run-time* for that *facility* as determined in the *pre-dispatch of record* and the *IESO* accepts the data as reasonable.

2.2C.2 The *IESO* may, at any time, audit the data submitted in accordance with section 2.2C.1.4 if the *market participant* receives a day-ahead generation cost

guarantee payment under section 4.7D of Chapter 9 on the basis of that data. If, as a result of such an audit, the *IESO* determines that the actual costs differed from the submitted data, the *IESO* shall recover any resulting over-payments made to the *market participant*.

### **Chapter 7 Section 12.1.3.1 – Clarification of System Status Report Contents**

- 12.1.3 If required, a system status report shall contain advisory notices as follows:
- 12.1.3.1 a major change advisory if a major change in expected load, generation *capacity* or *transmission capacity* has occurred since the last system status report was issued;
  - 12.1.3.2 a system advisory if the *IESO* expects over-generation, under-generation or shortfalls in *operating reserve* or *contracted ancillary services*. Any system advisory shall indicate the actions the *IESO* intends to take if the market does not or cannot respond sufficiently to eliminate the problem;
  - 12.1.3.3 a system emergency advisory if the *IESO* expects an *emergency operating state* or a *high-risk operating state*. Any such system emergency advisory shall indicate the actions the *IESO* intends to take if the market does not or cannot respond sufficiently to eliminate the problem; and
  - 12.1.3.4 a market suspension advisory or market resumption notice if the *IESO* is suspending or resuming operation of all or part of the *IESO-administered markets*.

### **Chapter 9 Section 3.5.7 – IESO Software Capability**

- 3.5.6 ~~Subject to section 3.5.7, the~~ The *IESO* shall adjust, in the matrices specified in section 3.5.2 and for the purposes of determining the applicable congestion management *settlement* credit payments, any *offer price* that:
- 3.5.6.1 is associated with a *generation facility* or is associated with an injecting *boundary entity*; and
  - 3.5.6.2 is less than a specified lower limit where such limit is the lesser of 0.00 \$/MWh and the *energy market price* for the applicable *dispatch interval*;
- to that lower limit.
- 3.5.7 ~~Until such time that the IESO has the software capability to make the adjustments specified in section 3.5.6 at the time of the determination of the CMSC payments, the IESO shall, at the end of each billing period, for all circumstances where an applicable facility's DQSI quantity and AQEI quantity are at least 1 MW less than~~

~~the corresponding MQSI quantity, adjust the applicable *market participant's* CMSC payments for the previous *billing period* to the amount that would have been determined had section 3.5.6 been applied in first instance. This section shall cease to have effect and shall be noted as “[intentionally left blank]” when such software capability has been put into service. [Intentionally left blank – section deleted]~~

#### **PART 5 – IESO BOARD DECISION RATIONALE**

This amendment corrects errors in section numbering and cross-references and effects changes that are of a non-material procedural nature.