



## Market Rule Amendment Written Submission

This form is used to provide comment on a *market rule* amendment under consideration by the *IESO*. Please complete all four sections of this form and submit the completed form by email or fax to the following:

Email Address: [Rule.Amendments@ieso.ca](mailto:Rule.Amendments@ieso.ca)  
 Fax No.: (416) 506-2847 **Attention: Market Rules Group**  
**Subject: Market Rule Written Submission**

All information submitted in this process will be used by the *IESO* solely in support of its obligations under the *Electricity Act, 1998*, the *Ontario Energy Board Act, 1998*, the *Market Rules* and associated policies, standards and procedures and its licence. All submitted information will be assigned the *confidentiality classification* of “Public” upon receipt. You should be aware that the *IESO* intends to *publish* this written submission.

Terms and acronyms used in this Form that are italicized have the meanings ascribed thereto in Chapter 11 of the *Market Rules*.

### PART 1 – SUBMITTER’S INFORMATION

Please enter your organization and contact information in full.

Name: Royal Bank of Canada

(if applicable) *Market Participant /  
Metering Service Provider* No.<sup>1</sup>: 109750

*Market Participant Class:*

Telephone: 416-842-6528

Fax: 416-842-6157

E-mail Address: rob.coulbeck@rbccm.com

### PART 2 – MARKET RULE AMENDMENT REFERENCE

**Type of Rule Amendment Being Commented on** (please indicate with x):

Amendment Submission     Proposed Rule Amendment     Recommended Rule Amendment

**MR Number:** MR-00370

This *Market Rule* number is located on the “Current Market Rule Amendment” web page.

**Date Relevant *Amendment Submission*, Proposed or Recommended Rule Amendment Posted for Comment:** July 7, 2010

<sup>1</sup> This number is a maximum of 12 characters and does not include any spaces or underscore.

**PART 3 – COMMENTS ON RULE AMENDMENT**

Provide your comments.

This Proposed Market Rule Amendment will reduce market efficiency and hamper the IESO Administered Markets ability to alleviate Surplus Baseload Generation (SBG) which will result in security and reliability concerns. The NorthEastern Interconnect Electrical System has seen an increase in Wind Generation with substantially more developments on the horizon. The addition of these clean resources in the off peak hours will increase the frequency of negative priced hours for all Markets. The off peak price volatility will be substantial until the markets introduce rules to make the currently undispachable Wind, responsive to price. Prices in MISO, PJM, NYISO and ISO-NE will drop well below -\$50 dollars. Export transactions from Ontario will not flow as the combination of the floor price, uplifts, currency exchange rate, export fees and lower neighboring prices will create too much risk with limited profit potential. This will force Ontario to take manual actions to control SBG, further hampering the efficiency of the Wholesale Market.

The frequency of negative prices on the Ontario Inter-Ties has decreased substantially over the last couple years as more Market Participants have been active in the NorthWest. The Market Surveillance Panel’s observation that the uniform price system is flawed has been stated repeatedly. This complex set of rules has hampered market efficiency as Market Participants struggle to understand Market schedules and settlements produced from the unconstrained and constrained processes. This complexity of the Ontario Market has resulted in band-aid solutions; the current proposed rule amendment does nothing to reduce the confusion and will result in decreased Market efficiency.

**PART 4 – EXTERNAL CONSULTATION MEETING**

If you believe that a special meeting of stakeholders would be necessary/desirable to discuss the issues raised by the rule amendment, please complete the following information:

External Stakeholding meeting necessary/desirable (please indicate with x):

Reason(s) why you believe a meeting is necessary/desirable:

