



Market Rule Amendment Submission

This form is used to request an amendment to, or clarification of, the *Market Rules*. Please complete the first four parts of this form and submit the completed form by email or fax to the following:

Email Address: Rule.Amendments@ieso.ca

Fax No.: (416) 506-2847 Attention: Market Rules Group

Subject: Market Rule Amendment 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* will *publish this amendment submission* if the *Technical Panel* determines it warrants consideration and may invite public comment.

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 contact information in full.	
Name: <u>IESO Staff</u>	
(if applicable) <i>Market Participant / Metering Service Provider</i> No. ¹ : <u>n/a</u>	<i>Market Participant Class</i> : <u>n/a</u>
Telephone: <u>905-855-6464</u>	Fax: <u>905-855-6371</u>
E-mail Address: _____	

PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: <u>Settlements</u>	
Title: <u>Changes to Generation Station Service Rebate (GSSR)</u>	
Nature of Request (please indicate with x)	
<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion
<input type="checkbox"/> Addition	<input type="checkbox"/> Clarification
Chapter: <u>9</u>	Appendix: _____
Sections: <u>2.1A, 4.7G (new), 4.8</u>	
Sub-sections proposed for amending/clarifying: _____	

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

PART 3 – DESCRIPTION OF THE ISSUE

Provide a brief description of the issue and reason for the proposed amendment. If possible, provide a qualitative and quantitative assessment of the impacts of the issue on you and the *IESO-administered markets*. Include the Chapter and Section number of the relevant *market rules*.

In 2001, market rule amendments were introduced to provide a mechanism for settling station service. Station service is the consumption of power required to run generating stations and transmission facilities. The market rules require generators to pay hourly uplift and other settlement amounts that accumulate with an allocated quantity of energy withdrawn (AQEW) only when the entire generation facility is a net consumer of energy. For most generators, appropriate charges are automatically applied. There are some configurations that result in a generator being charged for station service even though the generator was a net injector of energy. In these cases, generators may be eligible for a refund on hourly uplift and other settlement amounts that accrue with AQEW. This refund is referred to as the Generation Station Service Rebate (GSSR).

Unlike the standard settlement process for other IESO-administered market payments and charges, the mechanism for processing GSSR claims requires a number of manual activities by both the generator and the IESO. The tools and processes that support this settlement activity are being assumed by the Settlements group and need to be revised to be consistent with the Corporation's End User Computing tool policies and standards. The need to make tool and documentation changes within the IESO related to the settlement of GSSR provided the opportunity to review the entire process and propose changes to improve administrative efficiency. The IESO, in consultation with the two market participants who currently submit claims for the GSSR, is proposing process improvements that would reduce the effort required by both parties to settle these claims.

The current process for settling GSSR claims involves the following activities:

- A generator who meets the eligibility requirements for GSSR, as set out in the market rules, submits a claim for the settlement month after the Physical Market Invoice for that month has been issued.
- The IESO verifies the claim and confirms the amount to be reimbursed no later than 5 business days after the end of the next Settlement Month.
- The reimbursement is included on the Physical Market Invoice for the next Settlement Month.

For further information on the existing process settling GSSR claims please refer to:

http://www.ieso.ca/imoweb/pubs/ti/Comm_Rec/station_service_generator_reimbursement_file.pdf

The IESO is proposing process changes that would remove the one month delay in generator reimbursement, ensure the settlement amount is based on all final settlement data, and reduce the effort required by both the generator and the IESO to settle this charge.

PART 4 – PROPOSAL (BY SUBMITTER)

Provide your proposed amendment. If possible, provide suggested wording of proposed amendment.

It is proposed to modify the market rules in section 2.1A in Chapter 9 by deleting certain sections of the market rules and moving them to a new section 4.7G in Chapter 9. Chapter 9 Section 4.7 is where all standard non-hourly settlement charges are described. This section is the appropriate location for the

PART 4 – PROPOSAL (BY SUBMITTER)

settlement rules around the generation station service rebate now that this charge will be settled in the same way as other non-hourly settlement amounts. For reference, a copy of the existing section 2.1A is attached. These sections that are proposed to be deleted are as follows:

- Section 2.1A.9 related to the definition of when the load is eligible for the rebate;
- Section 2.1A.10 related to the definition of market charges eligible for reimbursement; and
- Section 2.1A.13 related to the definition of an eligible generation facility.

It is proposed to delete the following two sections in section 2.1A in Chapter 9 because they describe processes which will not be required when the modifications to the Generation Station Service Rebate program market rules are completed. These sections are as follows:

- Section 2.1A.11 which requires the generator to submit a claim and the information to support the claim; and
- Section 2.1A.12 which requires the IESO to notify the generator of acceptance or denial of the claim.

Additionally, part of section 2.1A.12 related to the recovery of the rebate from the market through a non-hourly settlement amount will be included in the new section 4.7G.

Finally, consequential modifications are required in sections 2.1A.7 and 4.8.1.6 of Chapter 9 so that the references point to the new section 4.7G.

Key Elements of proposed new section 4.7G - Eligibility

4.7G.1 If the consumption of *generation station service* results in:

4.7G.1.1 an allocated quantity of *energy* withdrawn or AQEW, as described in section 3.1.9, accruing at the location of a *generation unit* which is part of an eligible *generation facility* within the meaning of section 4.7G.3 in circumstances where the injection of *energy* by that *generation facility* as a whole exceeds the withdrawal of *energy* by that *generation facility* as a whole during a given *metering interval*; and

4.7G.1.2 such accrual of AQEW results in *hourly uplift*, *non-hourly settlement amounts*, or both, accruing at the location referred to in section 4.7G.1.1 during any *metering interval* within an *energy market billing period*,

the *metered market participant* for that *generation facility* shall, subject to section 4.7G.2 be reimbursed the *hourly uplift* and *non-hourly settlement amounts* referred to in section 4.7G.1.2

4.7G.2 No reimbursement will be provided to a *metered market participant* pursuant to section 4.7G.1 in respect of amounts attributable to the following:

4.7G.2.1 *transmission services charges*;

4.7G.2.2 any applicable penalties, awards or adjustments reflected in the *invoice*

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	issued to the <i>metered market participant</i> ; or
4.7G.2.3	any other <i>settlement amounts</i> where such a reimbursement: <ul style="list-style-type: none">a. is prohibited by <i>applicable law</i>; orb. where the <i>settlement amount</i> is collected by the <i>IESO</i> pursuant to an obligation imposed upon it by <i>applicable law</i>, is not permitted by such <i>applicable law</i>.
4.7G.3	For the purposes of section 4.7G.1.1 a <i>generation facility</i> may be designated by the <i>IESO</i> as an eligible <i>generation facility</i> where the <i>generation facility</i> : <ul style="list-style-type: none">4.7G.3.1 is comprised of two or more <i>registered facilities</i>:<ul style="list-style-type: none">a. whose <i>metering data</i> is not summed to a single value pursuant to the process described in section 2.4.3; andb. that have the same <i>metered market participant</i>;4.7G.3.2 is located within the <i>IESO control area</i>; and4.7G.3.3 has associated with it <i>generation station service</i> that serves more than one <i>registered facility</i> included within that <i>generation facility</i>.
4.7G.4	The <i>IESO</i> shall recover any amount reimbursed pursuant to section 4.7G.1 as described in section 4.8.1.6.

PART 5 – FOR IESO USE ONLY

<i>Technical Panel</i> Decision on Rule Amendment Submission: Warrants consideration. _____	
MR Number: MR-00371 _____	
Date Submitted to <i>Technical Panel</i> : <u>June 1, 2010</u>	
Accepted by <i>Technical Panel</i> as: (please indicate with x)	Date:
<input checked="" type="checkbox"/> General <input type="checkbox"/> Urgent <input type="checkbox"/> Minor	<u>June 8, 2010</u>
Criteria for Acceptance: It identifies ways to simplify the market and/or reduce participant or IESO costs.	
Priority: Medium. _____	
Criteria for Assigning Priority: The proposed solution will improve the operations of the IESO-administered markets in respect of settling the generation station service rebate and the two generators who currently submit GSSR claims have expressed support for the changes.	
Not Accepted (please indicate with x): <input type="checkbox"/>	
Clarification/Interpretation Required (please indicate with x): <input type="checkbox"/>	
<i>Technical Panel</i> Minutes Reference: IESOTP 238-1 _____	
<i>Technical Panel</i> Comments: _____	

2.1A Station Service

- 2.1A.1 The registered *market participant* for a facility consuming transmission station service or connection station service shall:
- 2.1A.1.1 identify to the *IESO* the fraction of the *energy* withdrawn at that *facility* supplied from the *IESO-controlled grid* which is not such *station service*; and
 - 2.1A.1.2 ensure that the consumption of the *energy* referred to in section 2.1A.1.1 is measured by an *RWM* that complies with the requirements of Chapter 6.
- 2.1A.2 For *settlement* purposes, *transmission station service* shall be treated as a transmission loss.
- 2.1A.3 Where *connection station service* is not separately metered by an *RWM*, the *energy* consumption associated with *connection station service* shall be estimated by the *metered market participant* designated by the *registered market participant* for the relevant *connection facility* or, in the absence of such a *metered market participant*, by such *registered market participant*, in accordance with the equations and procedures described in the applicable *market manuals*, which estimate shall be stamped by a registered professional engineer and shall be subject to audit by the *IESO*.
- 2.1A.4 For settlement purposes, *connection station service* shall be treated as follows:
- 2.1A.4.1 where the *energy consumption* associated with *connection station service* is included in the *energy consumption* measured by an *RWM*, the sum of the *energy* associated with that *connection station service* and with site specific losses shall be apportioned:
 - a. amongst those *market participants* whose *facilities* are connected to the relevant *connection facility* in the proportions provided by the *metering service provider* for that *RWM*, and the provision of such proportions shall constitute certification by such *metering service provider* that such proportions have been agreed between the *metering service provider* and all *market participants* whose *facilities* are connected to the relevant *connection facility*; or
 - b. where the *metering service provider* has not provided the proportions referred to in section 2.1A.4.1(a), to the *metered market participant* for that *RWM* in accordance with section 2.4.4; or
 - 2.1A.4.2 where the *energy consumption* associated with *connection station service* is not included in the *energy consumption* measured by an *RWM*, the sum of the *energy* associated with that *connection station service* and with site specific losses shall be apportioned:

- a. amongst those *market participants* whose *facilities* are connected to the relevant *connection facility* in the proportions provided by the *metering service provider* for each *RWM* measuring the flow of *energy* taken from the *connection facility*. The proportions provided by each *metering service provider* shall reflect agreement amongst all applicable *metering service providers* and shall only be accepted by the *IESO* if the proportions provided by all applicable *metering service providers* sum to one. The provision of such proportions shall constitute certification by each such *metering service provider* that it has reached agreement with all other applicable *metering service providers* in respect of such proportions; or
- b. where one or more of the *metering service providers* referred to in section 2.1A.4.2(a) has not provided the *IESO* with the proportions referred to in that section, amongst those *market participants* whose *facilities* are connected to the relevant *connection facility* on the basis of the number of *load serving breakers* serving each such *market participant*.

2.1A.5 A *metering service provider* who provides to the *IESO* factors for apportioning *connection station service* and site specific losses pursuant to section 2.1A.4.1(a) or 2.1A.4.2(a) may, no more than once in each calendar year or more frequently if required by the registration of a new *RWM*, submit to the *IESO* revised proportions for the purposes of apportioning the *energy* referred to in section 2.1A.4. The provision of such revised proportions shall constitute certification by such *metering service provider* as to the agreement referred to in section 2.1A.4.1(a) or 2.1A.4.2(a), as the case may be.

2.1A.6 For greater certainty, nothing in section 2.1A.4 shall be construed as permitting the apportionment of *connection service* and site specific losses to a *market participant* in respect of a *facility* that is an *embedded load facility* or an *embedded generation facility*.

2.1A.6A Where the sum of *energy* associated with *connection station service* and with site specific losses is apportioned by the *IESO* pursuant to sections 2.1A.4.1(b) or 2.1A.4.2(b) by reason of the failure of all applicable *metering service providers* to reach agreement as to the proportions referred to in sections 2.1A.4.1(a) or 2.1A.4.2(a) as the case may be, any *market participant* that is the subject of such apportionment may submit the matter to the dispute resolution process set forth in section 2 of Chapter 3 and shall, in the *notice of dispute*:

2.1A.6A.1 name all other *market participants* which are the subject of the same apportionment as *respondents*; and

2.1A.6A.2 request that the arbitrator determine an alternative apportionment.

2.1A.6B Where an *arbitrator* determines an alternative apportionment pursuant to section 2.1A.6A, the *metering service provider* for each applicable *RWM* shall, within 5 *business days* of the date of the award of the *arbitrator*, file with the *IESO*

proportions for apportioning the sum of *energy* associated with *connection station service* and with site specific losses that reflect such alternative apportionment.

2.1A.7 Subject to section 2.1A.9, where *metering data* from a *metering installation* does not reflect the amount of *energy* injected by a *generation unit* passing through the *metering installation* net of all applicable *generation station service*, the costs associated with *generation station service* shall, for *settlement* purposes, be apportioned:

2.1A.7.1 amongst those *generation units* consuming such *generation station service* in the proportions provided by the *metering service provider* for the relevant *metering installation*; or

2.1A.7.2 where the *metering service provider* has not provided the proportions referred to in section 2.1A.7.1, equally amongst all such *generation units*,

provided that, in either case such apportionment results in a totalization of the applicable *RWMs* that is identical to the totalization of the *meters* required to meet the monitoring requirements of section 7.3, 7.4, 7.5 or 7.6, as the case may be, of Chapter 4.

2.1A.8 A *metering service provider* who provides the *IESO* with proportions pursuant to section 2.1A.7.1 may submit up to two requests in a calendar year to the *IESO* to have such proportions revised, provided that the giving of effect to such revisions shall be subject to the mutual agreement of the *metering service provider* and the *IESO*.

2.1A.9 If the consumption of *generation station service* results in:

2.1A.9.1 an allocated quantity of *energy* withdrawn or AQEW, as described in section 3.1.9, accruing at the location of a *generation unit* which is part of an eligible *generation facility* within the meaning of section 2.1A.13 in circumstances where the injection of *energy* by that *generation facility* as a whole exceeds the withdrawal of *energy* by that *generation facility* as a whole during a given *metering interval*; and

2.1A.9.2 such accrual of AQEW results in *hourly uplift*, non-hourly *settlement amounts*, or both, accruing at the location referred to in section 2.1A.9.1 during any *metering interval* within an *energy market billing period*,

the *metered market participant* for that *generation facility* shall, subject to section 2.1A.10, be entitled to request a reimbursement of the *hourly uplift* and non-hourly *settlement amounts* referred to in section 2.1A.9.2 in accordance with the procedure referred to in section 2.1A.11.

- 2.1A.10 No reimbursement may be requested by a *metered market participant* pursuant to section 2.1A.9 in respect of amounts attributable to the following:
- 2.1A.10.1 *transmission services charges*;
 - 2.1A.10.2 any applicable penalties, awards or adjustments reflected in the *invoice* issued to the *metered market participant*; or
 - 2.1A.10.3 any other *settlement amounts* where such a reimbursement:
 - a. is prohibited by *applicable law*; or
 - b. where the *settlement amount* is collected by the *IESO* pursuant to an obligation imposed upon it by *applicable law*, is not permitted by such *applicable law*.
- 2.1A.11 A *metered market participant* that wishes to request a reimbursement pursuant to section 2.1A.9 shall, within five *business days* of the issuance of the *invoice* for the *energy market billing period* in which the allocated quantity of *energy* withdrawn or AQEW accrued as described in section 2.1A.9.1, provide to the *IESO*:
- 2.1A.11.1 a fully reconcilable set of calculations of the amount for which reimbursement is requested, including the supporting *settlement* data used; and
 - 2.1A.11.2 the amount for which reimbursement is requested,
- in such form as may be specified in the applicable *market manual*.
- 2.1A.12 Upon receiving a request for reimbursement pursuant to section 2.1A.11, the *IESO* shall:
- 2.1A.12.1 verify that the calculations have been provided in accordance with that section;
 - 2.1A.12.2 either:
 - a. reimburse, as a credit on the applicable *preliminary settlement statement*, the whole or a part of the amount requested to the *metered market participant* no later than the end of the next *energy market billing period* that commences following the day upon which the *IESO* notifies the *metered market participant* that the request or a part thereof has been provided in accordance with section 2.1A.11 or is ordered by an *arbitrator* to effect a reimbursement; or
 - b. where the *IESO* is not satisfied that the *metered market participant* has complied with section 2.1A.11 or that the *generation unit* in respect of which the reimbursement is being claimed is not part of an eligible *generation facility* within the meaning of section

2.1A.13, notify the *metered market participant* that its request for reimbursement has been denied; and

- 2.1A.12.3 recover any amount reimbursed pursuant to section 2.1A.12.2 at the end of the *energy market billing period* referred to in section 2.1A.12.2(a) in the manner described in section 4.8.1.6.
- 2.1A.13 For the purposes of section 2.1A.9.1, a *generation facility* may be designated by the *IESO* as an eligible *generation facility* where the *generation facility*:
 - 2.1A.13.1 is comprised of two or more *registered facilities*:
 - a. whose *metering data* is not summed to a single value pursuant to the process described in section 2.4.3; and
 - b. that have the same *metered market participant*;
 - 2.1A.13.2 is located within the *IESO control area*; and
 - 2.1A.13.3 has associated with it *generation station service* that serves more than one *registered facility* included within that *generation facility*.