




---



---

## 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](mailto: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. <sup>1</sup> : <u>N/A</u>	<i>Market Participant Class</i> : <u>N/A</u>
Telephone: <u>905-855-4128</u>	Fax: <u>905-855-6371</u>
E-mail Address: <u>Rule.amendments@ieso.ca</u>	

### PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: <u>Congestion Management Settlement Credits (CMSC)</u>	
Title: <u>Replacing the Temporary Solution of CMSC for Constrained-Off Dispatchable Loads</u>	
Nature of Request (please indicate with x)	
<input checked="" type="checkbox"/> Alteration	<input checked="" type="checkbox"/> Deletion
<input checked="" type="checkbox"/> Addition	<input type="checkbox"/> Clarification
Chapter: <u>9</u>	Appendix: _____
	Sections: <u>3.5.1C (delete), 3.5.1D (new), 3.5.2)</u>
Sub-sections proposed for amending/clarifying: _____	

<sup>1</sup> 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*.

#### Summary

It is proposed that dispatchable loads will not be entitled to constrained off CMSC payments related to ramping, where such payments are caused by conditions and/or actions at the load facility, and not by conditions on the IESO-controlled grid.

This proposal will replace the temporary suspension on energy-related CMSC for all constrained-off dispatchable load facilities that was introduced under urgent rule amendment MR-00373<sup>1</sup>.

#### Background

In its Monitoring Report on the IESO-Administered Electricity Markets issued in August 2010, the Market Surveillance Panel (MSP) noted significant CMSC payments to two dispatchable loads<sup>2</sup>.

The main factor contributing to the increase in constrained off CMSC payments was frequent ramping up/down with a slow ramp rate and high bid price. A dispatchable facility's ramping limitations can lead to a discrepancy between the market schedule and the dispatch schedule, resulting in CMSC payments. The magnitude of those payments is a function of the speed at which the facility ramps and the facility's bid. A slower ramp rate prolongs the duration of the discrepancy between the market and constrained schedules, while a high bid price results in more CMSC per unit of time.

In order to address the significant CMSC payments resulting from an unintended adverse effect of the two schedule system, the IESO Board approved urgent market rule amendment MR-00373 to temporarily suspend energy-related CMSC to all constrained-off dispatchable load facilities. In response to the Board's request to expedite work on an enduring market rules solution, the IESO has had three meetings with the dispatchable loads community during the past six weeks to consider and develop alternative solutions. This market rule amendment proposal reflects a solution proposed by some dispatchable loads and will replace the urgent market rule amendment.

Details of the consultations with dispatchable loads can be found on Stakeholder Engagement page SE-89:

[http://www.ieso.ca/imoweb/consult/consult\\_se89.asp](http://www.ieso.ca/imoweb/consult/consult_se89.asp)

<sup>1</sup> [http://www.ieso.ca/imoweb/pubs/mr2010/MR\\_00373-R00.pdf](http://www.ieso.ca/imoweb/pubs/mr2010/MR_00373-R00.pdf)

<sup>2</sup> Market Surveillance Panel Monitoring Report on the IESO-Administered Electricity Markets for the period from November 2009 to April 2010 (refer to section 3.1)  
[http://www.oeb.gov.on.ca/OEB/\\_Documents/MSP/MSP\\_Report\\_20100830.pdf](http://www.oeb.gov.on.ca/OEB/_Documents/MSP/MSP_Report_20100830.pdf)

**PART 4 – PROPOSAL (BY SUBMITTER)**

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

It is proposed that dispatchable loads will not be entitled to constrained off CMSC payments related to ramping, where such payments are caused by conditions and/or actions at the load facility, and not by conditions on the IESO-controlled grid.

**PART 5 – FOR IESO USE ONLY**

*Technical Panel Decision on Rule Amendment Submission:* Warrants consideration

MR Number: MR-00374

Date Submitted to *Technical Panel*: October 18, 2010

Accepted by *Technical Panel* as: (please indicate with x)

Date:

General       Urgent       Minor

October 19, 2010

Criteria for Acceptance: The submission identifies means to better enable the market to satisfy the market design principle of fairness. The proposed rule amendment would restore some constrained off CMSC revenues that are not related to the CMSC that the MSP identified as unwarranted.

Priority: High

Criteria for Assigning Priority: Pervasiveness of the problem: all dispatchable loads are affected by the current suspension of constrained off CMSC.

Not Accepted (please indicate with x):

Clarification/Interpretation Required (please indicate with x):

*Technical Panel Minutes Reference:* IESOTP 243-1

*Technical Panel Comments:* \_\_\_\_\_