



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>Enhanced Day-Ahead Commitment Process (EDAC)</u>	
Title: <u>Market Rule True-up</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>7, 9, 11</u>	Appendix: <u>2.2, 7.5A</u> Sections: <u>Various</u>
Sub-sections proposed for amending/clarifying: <u>Various</u>	

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*.

Background on Enhanced Day-Ahead Commitment Process

In 2007, the IESO initiated a study to assess how IESO day-ahead mechanisms might be amended to support anticipated changes in Ontario's electricity sector. The study addressed both current and future challenges including how to most efficiently integrate and optimize Ontario's changing infrastructure. The merits of various possible day-ahead mechanisms were studied and assessed under [Stakeholder Engagement Plan 21 \(SE-21\)](#).

At its meeting on September 5, 2008 the IESO Board granted approval for the development of a design (described below) and delegated to the Audit Committee of the IESO Board the responsibility for oversight of the EDAC project which encompasses:

- Optimization of commitment over the entire 24 hours of the next day;
- Use of multiple passes of the constrained algorithm to determine commitment and resource scheduling; and
- Three-part offers, i.e. the use of offers for energy supported by submitted 'fixed'¹ costs and technical data.

The following February 2009 design document outlines the design details, export inclusion and day-ahead guarantees for both generators and importers:

http://www.ieso.ca/imoweb/pubs/consult/se21-edac/se21-20090206-EDAC_Market_Design_v1.pdf

On February 11, 2009 the IESO's Audit Committee approved version 1.0 of the EDAC Market Design and directed IESO staff and the Technical Panel to develop the market rule amendments necessary to implement the design. Further design information is found under the EDAC Detailed Design stakeholder engagement plan (SE-73), initiated in February 2009, which provides affected stakeholders the opportunity to identify operational and settlement issues with respect to EDAC processes and systems, in order to minimize potential adverse impacts:

http://www.ieso.ca/imoweb/consult/consult_se73.asp.

Historical Market Rule Amendment Activities

Throughout out 2009 and early 2010, the Technical Panel reviewed and recommended two EDAC-related market rule amendment proposals:

- MR-00348-R00-R06: EDAC – 24-hour Optimization and 3-part Offers (<http://www.ieso.ca/imoweb/pubs/mr2009/MR-00348-R00-R06-BA.pdf>); and
- MR-00349-R00-R04: EDAC – Settlement Guarantees (<http://www.ieso.ca/imoweb/pubs/mr2010/MR-00349-R00-R04-BA.pdf>).

MR-00348 is based upon the existing Day-Ahead Commitment Process market rules architecture currently contained within Chapter 7, essentially a "modification" of the DACP market rules to reflect

¹ Typically includes unit start-up and minimum generation costs (commonly referred to as 'fixed costs' although this may not meet the formal accounting definition of a fixed production cost).

PART 3 – DESCRIPTION OF THE ISSUE

the enhancements to the design. MR-00348 identifies all the data inputs required for the operation of the EDAC process, a description of the EDAC scheduling process, and the algorithm that is the heart of the calculation engine. The EDAC results will then flow into real-time market operations and also inform the calculation of settlement amounts. This amendment introduces Appendix 7.5A for the articulation of the new calculation engine market rules, and changes to Chapter 11 definitions (new and modified defined terms to facilitate the EDAC design).

MR-00349 features modifications to existing market rules and introduces new market rules in Chapter 9 to permit the settlement of version 1.0 of the EDAC Market Design. The key elements of MR-00349 include amendments related to day-ahead guarantees, failure charges and settlements.

PART 4 – PROPOSAL (BY SUBMITTER)

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

At the time that market rule amendments MR-00348 and MR-00349 were approved, it was understood that a market rule “true-up” package would be required to address both IESO obligations for pseudo-units as well as other minor corrections and clarifications. These changes, along with other necessary revisions and improvements identified by the EDAC Project Advisory Group, are the subject of this amendment.

PART 5 – FOR IESO USE ONLY

Technical Panel Decision on Rule Amendment Submission: Warrants consideration

MR Number: MR-00375

Date Submitted to *Technical Panel*: November 5, 2010

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

Date:

General Urgent Minor

November 10, 2010

Criteria for Acceptance: It identifies means to better enable the market to satisfy the market design principle of efficiency. The EDAC design provides a solution that enhances the efficiency of the current Day-Ahead Commitment Process for the scheduling and commitment of resources required to provide electricity supply on a daily basis.

Priority: High

Criteria for Assigning Priority: The EDAC design addresses a need for the IESO’s efficient integration and optimization of Ontario’s changing electricity generation infrastructure.

Not Accepted (please indicate with x):

Clarification/Interpretation Required (please indicate with x):

Technical Panel Minutes Reference: IESOTP 244-1

Technical Panel Comments: _____