



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00376		
Subject:	Replacing PKI Digital Certificates		
Title:	Market Administration - Replacing PKI Digital Certificates		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input checked="" type="checkbox"/> Deletion	<input checked="" type="checkbox"/> Addition
Chapter:	2	Appendix:	2.2
Sections:	1.4, 1.6 (new)		
Sub-sections proposed for amending:	1.4.1, 1.4.1.1 -1.4.1.4 (deleted), 1.6.1 – 1.6.5 (new)		

PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Draft for Technical Panel review	December 7, 2010
2.0	Publish for Stakeholder Review and Comment	December 16, 2010
3.0	Submitted for Technical Panel Vote	January 11, 2011
4.0	Recommended by Technical Panel; Submitted for IESO Board Approval	January 18, 2011
5.0	Approved by IESO Board	February 10, 2011
Approved Amendment Publication Date:	February 17, 2011	
Approved Amendment Effective Date:	June 1, 2011	

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

It is proposed to amend the market rules to incorporate key provisions of the Certificate Subscriber Agreement¹ (“CSA”) which will terminate with the phasing out/removal of PKI digital certificates by the end of 2011, and to allow for future functionalities via the IESO portal.

The amendments will specify accountabilities and responsibilities on market participants and the IESO in establishing authentication, authority and integrity of sent communications/transactions with the IESO using IESO supplied or approved software.

Background

All market participants with PKI digital certificates are currently required to execute a CSA which governs the use and specifies terms and conditions of digital certificates for communications with the IESO. The IESO will be removing and replacing the digital certificate requirement while maintaining user identity protection, via the use of IESO-administered user identification and passwords through the IESO portal.

Discussion

The IESO plans to expand the use of browser based applications in order to provide less costly, more efficient tools and processes to support market participants’ day-to-day activities through a single, portal-based website (e.g. submitting registration type information via a new application hosted on the portal).

Therefore, it is proposed to amend Chapter 2, Appendix 2.2, section 1.4.1 to allow for expanded functionalities of IESO portal usage as described in the participant technical reference manual (“PTRM”), subject to the terms and conditions described in new section 1.6. Sections 1.4.1.1 to 1.4.1.4, which list the historical uses of a dedicated, participant workstation will be deleted. The definitions of terms such as “communications or transactions” and an update to the requirements of “participant workstations” to reflect the move towards browser based applications will appear in the PTRM.

Section 1.6 introduces key concepts of the CSA as well as other required terms and conditions for

¹ http://www.ieso.ca/imoweb/pubs/marketEntry/me_CertSubAgreement.pdf

PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

secure communications/transactions with the IESO, as follows:

- Section 1.6.2 – Specifies that the market participant has sole responsibility to ensure the authenticity, integrity and non-repudiation (i.e. a sender shall not be able to deny later that he/she sent a message) of communications/transactions. The PTRM will provide details on the use of market participant “credentials” (i.e. user identification and password) to ensure the security of communications/transactions.
- Section 1.6.3 – Specifies that each market participant agrees to:
 - (i) be bound by an authenticated communication or transaction to the same extent as if the authentication existed in a manually signed or otherwise authenticated form;
 - (ii) acknowledge that the IESO will act in reliance on an authenticated communication or transaction, even where the communication or transaction contains an error;
 - (iii) accept the time-stamp in the validation response/time stamp recorded by the IESO as the authoritative record; and
 - (iv) immediately notify the IESO if the participant suspects any unauthorized or inappropriate access to or activity on the IESO’s systems or information.
- Section 1.6.4 – Grants the IESO the ability to temporarily suspend a market participant’s ability to conduct communications/transactions, without notice should the IESO reasonably suspect unauthorized/inappropriate access to or activity on the IESO’s systems or information. For example, with the planned implementation of adaptive authentication, failure to correctly answer a security question when attempting to logon from a new computer would result in the temporary suspension of an account.
- Section 1.6.5 – Specifies that the IESO is not liable for unauthorized use of a market participant’s credentials and any resulting damages unless such violation was solely and directly as a result of the actions of the IESO.

PART 4 – PROPOSED AMENDMENT

Chapter 2 Appendix 2.2 – Technical Requirements: Voice Communication, Monitoring and Control, Workstations and Re-Classification of Facilities

1.4 Participant Workstations

- 1.4.1 Subject to section 1.6, eEach market participant shall, for the purposes of conducting secure communications or transactions with the IESO using IESO-supplied or approved software;
- ~~1.4.1.1 submitting dispatch data, physical bilateral contract data, EFM bids or EFM offers in the day-ahead energy forward market or TR bids or TR offers in the TR market;~~
- ~~1.4.1.2 receiving from the IESO confirmation of receipt and validation of dispatch data, EFM bids or EFM offers in the day-ahead energy forward market or TR bids or TR offers in the TR market;~~
- ~~1.4.1.3 receiving from the IESO confirmation of receipt and acceptance or rejection of physical bilateral contract data for settlement purposes; and~~
- ~~1.4.1.4 exchanging information relating to the settlement process,~~
- ~~provide, install and maintain a participant workstation that meets the specifications, definitions, and other requirements set forth in the participant technical reference manual.~~
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1.6 Terms and Conditions

- 1.6.1 Where a market participant conducts secure communications or transactions with the IESO in accordance with section 1.4, sections 1.6.2 to 1.6.5 shall apply.
- 1.6.2 Each market participant shall be solely responsible to ensure the authenticity, integrity and non-repudiation of communications or transactions, as described in the participant technical reference manual.
- 1.6.3 Each market participant agrees to:
- 1.6.3.1 be bound by an authenticated communication or transaction to the same extent, and with the same effect of law, as if the authenticated

communication or transaction had existed in a manually signed or otherwise authenticated form;

1.6.3.2 acknowledge that the IESO will act in reliance on an authenticated communication or transaction, even where the authenticated communication or transaction contains an error;

1.6.3.3 accept the time-stamp in the validation response or the time stamp of the communication or transaction recorded by the IESO as the authoritative record. In the case of a discrepancy, the time stamp of the communication or transaction recorded by the IESO shall prevail; and

1.6.3.4 immediately notify the IESO if the market participant suspects any unauthorized, or inappropriate access to or activity on the IESO's systems or information.

1.6.4 The IESO may, without notice, temporarily suspend a market participant's ability to conduct secure communications or transactions if the IESO reasonably suspects unauthorized or inappropriate access to or activity on the IESO's systems or information. These suspensions will be for a period of time necessary to permit the thorough investigation of such suspended activity.

1.6.5 The IESO shall not be liable for any unauthorized activity and the damages or consequences that may result from the use of secure communications or transactions, unless such violation was solely and directly as a result of the actions of the IESO.

PART 5 – IESO BOARD DECISION RATIONALE

This amendment enables the expanded use of browser-based application for the exchange of information which will reduce market participant and IESO costs associated with user verification.