



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>905-855-4128</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>Reliability Standards</u>	
Title: <u>Effective Dates for Reliability Standards</u>	
Nature of Request (please indicate with x)	
<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion
<input checked="" type="checkbox"/> Addition	<input checked="" type="checkbox"/> Clarification
Chapter: <u>5, 11</u>	Appendix: _____
Sections: <u>Ch 5, 1.2.6 (new), 1.2.7 (new), Ch 11 Definitions</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*.

Summary

It is proposed to amend the market rules to ensure that reliability standards approved by a standards authority are declared in force in Ontario only after they are declared in force in the United States (US), and after the completion of any statutory review periods during which no reviews are requested to, or initiated by the Ontario Energy Board (OEB).

In addition, it is proposed where a reliability standard approved by NERC failed to achieve approval by the NERC registered ballot body as specified in NERC's Rules of Procedures, the reliability standard will not be in force in Ontario unless and until the IESO determines that all or part of the reliability standard is in force in Ontario.

This proposal will provide clarity regarding effective dates of both North American Electric Reliability Corporation (NERC) reliability standards and Northeast Power Coordinating Council (NPCC) reliability criteria, and better ensure that the effective dates of reliability standards in Ontario align with the dates in other jurisdictions and do not disadvantage Ontario parties subject to such standards.

Background

In 2008, the Ontario government introduced legislation (Bill 44) which gave the OEB authority to review, revoke or stay, and remand reliability standards. In July 2008, a market rule amendment ([MR-00345](#)) was introduced to clarify when new or revised reliability standards come into effect in Ontario. That amendment provided that all reliability standards would come into effect in Ontario on the date established by a standards authority (i.e. NERC) or the IESO¹, unless the OEB initiated a review and subsequently stayed or revoked the standard. NPCC has since been designated as a standards authority under Ontario Regulation 214/08.

Reliability standards for North American bulk power systems are developed by NERC and reliability criteria are developed by NPCC². NERC standards are approved by the NERC Board of Trustees (NERC BOT) and require Federal Energy Regulatory Commission (FERC) approval prior to their coming into force in the US. In Ontario, there is no requirement for FERC approval, and absent a decision by the OEB to stay or revoke a NERC standard and remand it back to NERC, the standard becomes effective on a date specified by NERC, with the intention that the effective date corresponds approximately with the date on which the standard would come into force in the US (following FERC approval). However, experience shows that FERC approval has been slower than

¹ As per Ontario Regulation [452/06](#), one of the additional objects of the IESO is "To establish and enforce standards and criteria relating to the reliability of transmission systems."

² NERC standards include NPCC "regional standards" which must be approved by NERC and forwarded to FERC and other governmental authorities for regulatory approval (i.e. a regional standard is a special case of a NERC standard). NPCC "reliability criteria" approved by the NPCC Board are not NERC standards, and are not subject to FERC approval. Note that the market rules definition of "reliability standards" include "criteria."

PART 3 – DESCRIPTION OF THE ISSUE

expected, resulting in standards coming into force in Ontario much earlier than in the United States. In addition, FERC has in some instances requested modification prior to approving standards, rendering obsolete NERC-approved standards already implemented in Ontario.

Likewise, NPCC criteria currently come into force in Ontario once approved by the NPCC Board, which is not necessarily the date the criteria goes into effect in other NPCC members' jurisdictions.

As a result, Ontario market participants who have implemented standards/criteria sooner than their US counterparts are at risk of making unnecessary expenditures in order to comply with reliability standards/criteria that may never go into effect in the US. The mismatch also results in different standards being applied in neighboring jurisdictions, which may cause a reliability concern.

PART 4 – PROPOSAL (BY SUBMITTER)

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

Amend the market rules to ensure that reliability standards are declared in force in Ontario only after they are declared in force in US, and after the completion of any statutory review periods during which no reviews are requested to, or initiated by the OEB.

In addition, it is proposed where a reliability standard approved by NERC failed to achieve approval by the NERC registered ballot body as specified in NERC's Rules of Procedures, the reliability standard will not be in force in Ontario unless and until the IESO determines that all or part of the reliability standard is in force in Ontario.

PART 5 – FOR IESO USE ONLY

Technical Panel Decision on Rule Amendment Submission: Warrants Consideration

MR Number: MR-00379

Date Submitted to *Technical Panel*: March 16, 2011

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

Date:

General Urgent Minor

March 22, 2011

Criteria for Acceptance: The submission will provide means to enable market coordination with reliability standards in neighboring jurisdictions.

Priority: High

PART 5 – FOR IESO USE ONLY

Criteria for Assigning Priority: The proposed changes will better ensure that the effective dates of reliability standards in Ontario align with the dates in other jurisdictions and not require market participants or the IESO to incur unnecessary expenditures to comply with reliability standards/criteria that may never go into effect in the US.

Not Accepted (please indicate with x):

Clarification/Interpretation Required (please indicate with x):

Technical Panel Minutes Reference: IESOTP 249-1

Technical Panel Comments: _____