



**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: IESO Staff

(if applicable) *Market Participant / Metering Service Provider* No.<sup>1</sup>: n/a *Market Participant Class:* n/a

Telephone: 905-855-6445 Fax: 905-855-6371

E-mail Address: \_\_\_\_\_

**PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION**

Subject: Enhanced Day-Ahead Commitment Process (EDAC)

Title: Market Rules True-up Part Two

Nature of Request (please indicate with x)  
 Alteration       Deletion       Addition       Clarification

Chapter: 7,9      Appendix: 7.5A      Sections: Various

Sub-sections proposed for amending/clarifying: Various

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

<sup>1</sup> Typically includes unit start-up and minimum generation costs (commonly referred to as ‘fixed costs’ although this may not meet the

### 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'<sup>1</sup> 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](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](http://www.ieso.ca/imoweb/consult/consult_se73.asp).

#### **Historical Market Rule Amendment Activities**

Throughout out 2009, 2010 and early 2011, the Technical Panel reviewed and recommended three 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>);

MR-00348 identifies all the data inputs required for the operation of the EDAC process, specification of the EDAC scheduling process and the algorithm that is the heart of the calculation engine. Included in this amendment are changes to chapter 7 of the existing market rules and the introduction of a new Appendix 7.5A which contains the EDAC algorithm.

<sup>1</sup> 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

- MR-00349-R00-R04: EDAC – Settlement Guarantees (<http://www.ieso.ca/imoweb/pubs/mr2010/MR-00349-R00-R04-BA.pdf>);

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

- MR-00375-R00-R03: EDAC Market Rule True-up (<http://www.ieso.ca/imoweb/pubs/mr2010/MR-00375-R00-R03-BA.pdf>).

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 IESO obligations for pseudo-units as well as other minor corrections and clarifications. MR-00375 includes a first tranche of these changes, along with other necessary revisions and improvements identified by the EDAC Project Advisory Group.

#### **Further Market Rule True-Ups**

As testing of EDAC systems has progressed, as well as an external consultant review of EDAC systems and market rules, additional true-ups to the market rules have been identified.

### PART 4 – PROPOSAL (BY SUBMITTER)

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

Further minor corrections and changes, along with other necessary revisions and improvements identified by the IESO during testing, and by an external consultant, are the subject of this amendment.

The identified corrections and changes include typographical errors, corrections to cross-references, improved clarity in wording, and clarifications consistent with recommendations of the ongoing External Review of the Day-Ahead Calculation Engine.

**PART 5 – FOR IESO USE ONLY**

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

MR Number: MR-00382

Date Submitted to *Technical Panel*: July 6, 2011

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

Date:

General       Urgent       Minor

July 12, 2011

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 252-1

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