



Market Rule Amendment Written Submission

This form is used to provide comment on a *market rule* amendment under consideration by the *IESO*. Please complete all four sections 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 Written 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* intends to *publish* this written submission.

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 your organization and contact information in full.

Name: Peter Alpajaro, Bruce Power

(if applicable) *Market Participant /
Metering Service Provider* No.¹: _____

Market Participant Class:
Generator

Telephone: (519) 361-7159

Fax: (519) 368-5316

E-mail Address: peter.alpajaro@brucepower.com

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

PART 2 – MARKET RULE AMENDMENT REFERENCE

Type of Rule Amendment Being Commented on (please indicate with x):

Amendment Submission Proposed Rule Amendment Recommended Rule Amendment

MR Number: MR-00296-Q00

This *Market Rule* number is located on the “Current Market Rule Amendment” web page.

Date Relevant Amendment Submission, Proposed or Recommended Rule Amendment Posted for Comment:

31 May 05

PART 3 – COMMENTS ON RULE AMENDMENT

Provide your comments.

1. The market rule amendment is designed to be an interim measure until the Market Pricing Working Group comes forward with some long-term solutions. The danger with this approach is that the interim solution becomes the default solution because the final outcome from the Market Pricing Working Group will inevitably be delayed due to the working group process and the opposing views of the members.

Recommendation: Amend the market rule to have a finite timeline of 3 months at which time, the interim measure will be updated with the final recommendation of the MPWG. This provides the MPWG with a deadline to finalize their debate and decisions and provides insurance that the interim measure doesn't become the default solution.

2. Market prices should be reflective of supply-demand conditions and should not provide counter-intuitive signals. The use of existing administrative pricing market rules and market schedules does not result in the appropriate premium on prices that reflect market conditions. Market participants take action during anticipated shortfalls of energy and may pay a premium to secure energy contracts. When the pricing doesn't reflect the supply-demand conditions, market participant actions are questioned by investors and this further erodes investor confidence and confidence in the market.

Recommendation: Apply a suitable premium in addition to the price determined by existing administrative pricing when the IESO must take emergency control actions.

3. We support the amendment of Appendix 7.5 of the market rules to include a rule that would enable the IESO to adjust market demand in the market schedule when emergency control actions are undertaken that affect market demand. By not negatively altering the supply-demand balance in the market schedule, counter-intuitive pricing will be avoided.

4. We support the amendment of sections 2.2.2.16 and 3.2.1.4 of Appendix 7.5 to specify that emergency energy purchases shall not be represented as a change in non-dispatchable load in the market schedule. By not negatively altering the supply-demand balance in the market schedule,

PART 3 – COMMENTS ON RULE AMENDMENT

counter-intuitive pricing will be avoided.

PART 4 – EXTERNAL CONSULTATION MEETING

If you believe that a special meeting of stakeholders would be necessary/desirable to discuss the issues raised by the rule amendment, please complete the following information:

External Stakeholdering meeting necessary/desirable (please indicate with x):

Reason(s) why you believe a meeting is necessary/desirable: