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## Market Rule Amendment Written Submission Form

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Please complete all four sections of this form and submit the completed form by email or fax to the following:

Email Address: [Rule.Amendments@theIMO.com](mailto:Rule.Amendments@theIMO.com)

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 *IMO* 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 *IMO* 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".

<b>PART 1 –SUBMITTER’S INFORMATION</b>	
Please enter your organization and contact information in full	
Name: Steve Dickey, AES	
(If applicable) Market Participant / Metering Service Provider No. <sup>1</sup> :	Market Participant Class: TSG
Telephone: 613-384-4388 x15	Fax: 613-384-4766
Email Address: steve.dickey@aes.com	

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<sup>1</sup> This field is restricted to a maximum of 12 characters and does not allow any spaces or underscore.

**PART 2 – MARKET RULE AMENDMENT REFERENCE**

Type of Rule Amendment being commented on (please indicate with X on the right): <i>Amendment Submission</i> <b>X</b> Proposed Rule Amendment      Recommended Rule Amendment
MR-00161-Q00
Date relevant <i>Amendment Submission</i> , Proposed or Recommended Rule Amendment posted for comment:

**PART 3 – COMMENTS ON RULE AMENDMENT**

Provide your comments.

It would seem that there does need to be changes to the rules to allow for the existence of cogeneration facilities in Ontario. I would agree with Mr. Chee-Aloy that we should minimize barriers to entry for new cogeneration plants into the Ontario marketplace. At the same time, it does not make sense to harm cogeneration plants that currently exist by subjecting them to penalties due to things that are out of their control.

Options should also be looked at in light of trying to make the market as competitive as possible. Options chosen should try to recognize the situation that currently exists with NUG's which are cogens, but also minimize the amount of self scheduling generation over the long run.

Looking at the options presented:

- 1) Establish separate class: This option could probably leverage off of all of the work done to come up with the TSG category. If the IMO was agreeable to the concept of exempting cogens with PPA's from having to be dispatchable, this option would probably be cleaner than dealing with a number of different exemption applications now and in the future. In any case, generators must still have the option of choosing to register as fully dispatchable.
- 2) Increasing self-scheduling limits: This would rectify the situation for all cogeneration plants currently in Ontario, but I'm not sure it is the right long-term solution. It doesn't work for newer, larger plants that may be built. It also may increase the amount of self-scheduling generation in the province over the long run. It seems that this would not help the market overall, as it would probably require larger operating reserves to be established to allow for the larger possible fluctuations that can occur.
- 3) Granting exemptions: This would not require a rule change, but does not fundamentally correct the situation.

### **PART 3 – COMMENTS ON RULE AMENDMENT**

Provide your comments.

Other options

- relax the rules around penalties for those cogens who qualify so that they must make best efforts to meet the dispatch request, but are not penalized if they cannot
- Increase the tolerance for cogens to a larger number, say 25% or whatever is agreeable. This could be done on a plant by plant basis as well, though this would require more effort

**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: re they are willing to finance them.