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## Market Rule Amendment Proposal

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### PART 1 – MARKET RULE INFORMATION

Subject: Reliability		
Title: Emergency Demand Response Loads – Performance Requirements		
Nature of proposal (please indicate with X): Alteration   X   Deletion   Addition		
Chapter: 5	Appendix:	
Sections: 4.3.2		
Sub-sections proposed for amending:		

### PART 2 – PROPOSAL HISTORY

Issue	Reason for Issue	Date
1.0	Technical Panel Submission	April 16, 2002
2.0	IMO-Board Submission	May 3, 2002
3.0	IMO Board Approved	May 3, 2002

**PART 3 – EXPLANATION FOR PROPOSED AMENDMENT**

Provide a brief description of the following:

- The reason for the proposed amendment and the impact the *IMO-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 *IMO-administered markets*.

This rule amendment enables the IMO to acquire and implement a new kind of ancillary service (emergency demand response load) to be used during periods of anticipated supply shortages. The following rule amendments are proposed:

- performance standards for emergency demand response load are to be set forth in the applicable market manual (section 4.3.2 of chapter 5, MR-00192-R00);
- the IMO may call upon emergency demand response load to be interrupted on short notice in order to maintain the reliability of the IMO-controlled grid. (section 4.8A of chapter 5, MR-00192-R01);
- this service is a defined contracted ancillary service (section 9.2.2.4 of chapter 7, MR-00192-R02); and
- cost recovery would be through non-hourly settlement amounts like other ancillary services (section 4.3A of Chapter 9).

The service would be subject to the same competitive rules of procurement that govern other ancillary services as set out in section 9.3 of Chapter 7.

Technical panel members felt that pending the development of a more definitive proposal or renewal, the proposed amendments should expire 12 months following market commencement. A new section 4.8A.2 in Chapter 5 provides the needed sunset provision (see MR-00192-R01).

## PART 4 – PROPOSED AMENDMENT

### 4.3 Generic Performance Requirements for Ancillary Services

- 4.3.1 *Ancillary services* may be provided to the IMO only by *registered facilities* as required by Chapter 7. *Ancillary services* may be offered to the IMO in its daily and hourly *physical markets* or provided to the IMO under *contracted ancillary service* contracts through the IMO's *ancillary services procurement markets* or by means or within the scope of *operating agreements* or another agreement of a similar nature. Prior to entering into a contract with any *ancillary service provider*, the IMO shall determine whether the *facilities* and procedures of such *ancillary service provider* meet the requirements for registration as a *registered facility* in respect of the *ancillary service(s)* to be provided and are otherwise in compliance with the technical requirements of this Chapter. The IMO shall not contract for *ancillary services* with an *ancillary services provider* whose *facilities* are not in compliance with such requirements.
- 4.3.2 In order to make the determination referred to in section 4.3.1, the IMO may, subject to the application of section 4.3.4, require each *ancillary service provider* to demonstrate through physical tests or other appropriate means specified by the IMO that the *registered facilities* or equipment that will be used to provide the *ancillary service* meet the performance standards for each *ancillary service* set forth in Appendix 5.1 [or in the applicable market manual](#).

Publication Date: May 10, 2002

Effective Date: June 1, 2002

### PART 5 – IMO BOARD COMMENTS

At its meeting on Friday May 3, 2002, the IMO Board approved these market rule amendments. The IMO Board approved these rule amendments without invoking the full stakeholder consultation for market rule amendments that is contemplated in section 4 of Chapter 3 of the Market Rules. The IMO Board judged that the exercise of this discretion was appropriate in this instance for the following reasons:

- To enable this Program to be available, if required, for the upcoming summer demand peak;
- The IMO will be undertaking a stakeholder consultation in the development of the specifics of the Program; and

**PART 5 – IMO BOARD COMMENTS**

- This was the only rule amendment that was still in the approval process when rule-making authority was transferred to the IMO Board and, as such was subject to stakeholder review through the Technical Panel.




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## Market Rule Amendment Proposal

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### PART 1 – MARKET RULE INFORMATION

Subject: Reliability		
Title: Emergency Demand Response Loads – description		
Nature of proposal (please indicate with X): Alteration      Deletion      Addition X		
Chapter: 5	Appendix:	
Sections: 4.8A (new)		
Sub-sections proposed for amending:		

### PART 2 – PROPOSAL HISTORY (SEE MR-00192-R00)

Issue	Reason for Issue	Date

**PART 3 – EXPLANATION FOR PROPOSED AMENDMENT**

Provide a brief description of the following:

- The reason for the proposed amendment and the impact the *IMO-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 *IMO-administered markets*.

This amendment describes emergency demand response load and its application to maintain the reliability of the IMO-controlled grid as discussed in MR-00192-R00.

**PART 4 – PROPOSED AMENDMENT**

**4.8A Emergency Demand Response Load**

4.8A.1 Emergency demand response load is load that, subject to section 4.8A.2, can be called upon by the *IMO* to be interrupted on short notice in order to maintain the reliability of the *IMO*-controlled grid. The *IMO* may request these loads to reduce consumption prior to or during an *emergency operating state*.

4.8A.2 Section 4.8A.1 and related sections 9.2.2.4 of chapter 7 and 4.2.3A of chapter 9 shall, subject to further amendment or renewal, cease to have effect 12 months after the date on which section 26.(1) of the *Electricity Act, 1998* comes into force.

Publication Date: refer to MR-00192-R00

Effective Date: refer to MR-00192-R00

**PART 5 – IMO BOARD COMMENTS**

Refer to MR-00192-R00







**Market Rule Amendment Proposal**

**PART 1 – MARKET RULE INFORMATION**

Subject: Reliability			
Title: Emergency Demand Response Loads – contracted ancillary service			
Nature of proposal (please indicate with X): Alteration      Deletion      Addition      X			
Chapter: 7		Appendix:	
Sections: 9.2			
Sub-sections proposed for amending: 9.2.2.4 (new)			

<b>PART 2 – PROPOSAL HISTORY (SEE MR-00192-R00)</b>		
<b>Issue</b>	<b>Reason for Issue</b>	<b>Date</b>

**PART 3 – EXPLANATION FOR PROPOSED AMENDMENT**

Provide a brief description of the following:

- The reason for the proposed amendment and the impact the *IMO-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 *IMO-administered markets*.

This rule amendment includes emergency demand response load as a defined ancillary service as discussed in MR-00192-R00.

## PART 4 – PROPOSED AMENDMENT

**9.2 Definition of Contracted Ancillary Services**

9.2.1 Subject to sections 9.4 and 9.5.2, the *IMO* shall procure *contracted ancillary services* through contracts between the *IMO* and *ancillary service providers* that are *registered market participants* who have demonstrated the ability to provide such *contracted ancillary services* from *registered facilities* in accordance with the performance standards and other applicable requirements of section 4 of Chapter 5. *Contracted ancillary services* shall meet all applicable standards set forth in section 4 of Chapter 5 and shall be procured such as to enable the *IMO* to meet its obligations thereunder.

9.2.2 [Subject to section 4.8A.2 of Chapter 5](#), ~~the~~ the principal *contracted ancillary services* that the *IMO* will procure pursuant to section 9.2.1 are:

9.2.2.1 *regulation*: this *ancillary service* allows total system generation to match total system load (plus losses) minute-by-minute or even second-by-second as required on an electricity grid. This *ancillary service* is provided by *generation units* with *automatic generation control (AGC)* capability;

9.2.2.2 *voltage control and reactive support*: this *ancillary service* involves the control and maintenance of prescribed voltages at specific locations, using defined reactive capacity, *energy* and manoeuvrability to support system operations. *Reactive support* is provided by *generation units*, as well as by synchronous condensers, capacitors and other electrostatic equipment that is often owned and operated by *transmitters*; ~~and~~

9.2.2.3 black start capability: this *ancillary service* involves *generation facilities* that are tested and/or assessed for their ability to be a *certified black start facility*, and from which the *IMO* may direct the delivery of power without assistance from the electrical system; [and](#)

[9.2.2.4 emergency demand response load](#): this *ancillary service* involves *load facilities that are willing to reduce their load consumption on short notice to enable the IMO to maintain the reliability of the IMO-controlled grid*.

Publication Date: refer to MR-00192-R00

Effective Date: refer to MR-00192-R00

**PART 5 – IMO BOARD COMMENTS**

Refer to MR-00192-R00




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## Market Rule Amendment Proposal

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### PART 1 – MARKET RULE INFORMATION

Subject: Reliability			
Title: Emergency Demand Response Loads – settlement cost recovery			
Nature of proposal (please indicate with X): Alteration      Deletion      Addition      X			
Chapter: 9		Appendix:	
Sections: 4.2			
Sub-sections proposed for amending: 4.2.3A (new)			

### PART 2 – PROPOSAL HISTORY (SEE MR-00192-R00)

Issue	Reason for Issue	Date

**PART 3 – EXPLANATION FOR PROPOSED AMENDMENT**

Provide a brief description of the following:

- The reason for the proposed amendment and the impact the *IMO-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 *IMO-administered markets*.

This rule amendment enables the IMO to recover costs of acquiring emergency demand response load through a non-hourly settlement amount like other ancillary services as discussed in MR-00192-R00.

**PART 4 – PROPOSED AMENDMENT**

4.2.3 The *IMO* shall contract for *regulation* adequate to permit the *IMO* to meet its obligations under Chapter 5. The costs to the *IMO* of contracting for *regulation* in a given *energy market billing period* shall be recovered from *market participants* through a uniform charge, in \$/MWh, imposed on a pro-rata basis across all allocated quantities of *energy* withdrawn at all *RWMs* and at all *intertie metering points* during all *metering intervals* and *settlement hours* within that *energy market billing period*.

4.2.3A Subject to section 4.8A.2 of Chapter 5, the *IMO* shall have the authority to contract for emergency demand response load to permit the *IMO* to meet its obligations under Chapter 5. The costs to the *IMO* of contracting for emergency demand response load in a given *energy market billing period* shall be recovered from *market participants* through a uniform charge, in \$/MWh, imposed on a pro-rata basis across all allocated quantities of *energy* withdrawn at all *RWMs* and at all *intertie metering points* during all *metering intervals* and *settlement hours* within that *energy market billing period*.

Issue Date: refer to MR-00192-R00

Effective Date: refer to MR-00192-R00

**PART 5 – IMO BOARD COMMENTS**

Refer to MR-00192-R00