



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@theIMO.com

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 *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*.

PART 1 –SUBMITTER’S INFORMATION

Please enter contact information in full

Name: IMO Staff	
(if applicable) <i>Market Participant / Metering Service Provider No.</i> ¹ :	<i>Market Participant Class:</i>
Telephone: (416) 506-2801	Fax: (416) 506-2847
Email Address: rule.amendments@theimo.com	

PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: Outage Coordination		
Title: Arranging Replacement Energy to Support Planned Outages		
Nature of request (please indicate with X): <u> X </u> Alteration <u> </u> Deletion <u> </u> Addition		
Clarification		
Chapter: 5	Appendix:	Sections: 6

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

PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Sub-sections proposed for amending/clarifying :

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 *IMO-administered markets*. Include the Chapter and Section number of the relevant market rules.

<p>Planned outages of facilities and equipment are needed to perform necessary, and in some cases, regulatory maintenance and to maintain the reliability of the facilities in question. Since market start the IMO has rejected some outage requests for overall adequacy reasons in accordance with the Market Rules.</p>

<p>The denial of certain planned outages can result in the forced outages of some of these facilities. Forced outages have a negative impact on the reliability of the IMO-Controlled Grid (sudden loss of generation or transmission facilities or equipment), operation of the IMO-administered markets (price volatility), as well as result in higher costs to participants in having to do maintenance on an unplanned basis. Due to the forecast tight supply situation in Ontario, as indicated in the current IMO quarterly 18 month outlook, rejection of outages at certain times for adequacy reasons is expected to continue. The negative impacts on reliability and the markets noted above would, as a result, continue and potentially grow worse.</p>
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<p>The market rules should authorize and enable the ability for generator market participants to arrange imports as replacement capacity or energy to support generator facility outages, with sufficient safeguards to minimize potential adverse impacts on reliability and the market. Supporting outages through provision of replacement capacity or energy benefits market participants. This mechanism provides certainty for market participants regarding their scheduled maintenance provided that the provision of replacement energy by a market participant assures their outage will occur. In turn, this provides benefits to other market participants by enhancing reliability in the sense that it is less likely that these units will be forced out of service as they are able to maintain a planned maintenance schedule. This would be true only in those instances where there was no other way for the market participant to achieve the outage(s) required to complete necessary maintenance on its facilities. The reduction in the instances of forced outages and the resulting reliability impacts would also assist the IMO in meeting its obligations to maintain reliable operation of the IMO-controlled grid.</p>
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PART 4 – PROPOSAL (BY SUBMITTER)

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

<p>This market rule amendment submission proposes to provide a mechanism that would allow market participants to arrange replacement energy (e.g., an import) to support a planned outage request that</p>
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PART 4 – PROPOSAL (BY SUBMITTER)

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

would otherwise be at risk of being rejected, revoked or recalled for adequacy reasons.

The key elements of the mechanism are as follows:

- Allowing a market participant, to guarantee replacement energy to support a planned outage. This mechanism could apply to generator facility and equipment outages. Market participants would, if they choose to use this mechanism, be required to arrange the energy replacement for the MW quantity of their full outage for the duration of the outage.
- Market participants wishing to arrange replacement energy to support their outage must make this known to the IMO in a timely manner.
- If the replacement energy were being arranged through an import the IMO would have the authority to specify the intertie zone through which the import must be offered into the IMO-administered markets. This authority is necessary in order that the import, in effect, replaces the energy on outage. This would mean that an import into northwestern Ontario will not likely be suitable for an outage of a facility in southern Ontario.
- For example, arranging an import means, that if the outage is approved, the market participant would take on the obligation, during the outage period, of ensuring that import offers for the specified MW quantity would be made into the IMO-administered market. This import offer will be evaluated and scheduled using existing market mechanisms i.e. this offer will compete against all other import and domestic offers.
- The MP is responsible for all costs associated with securing the energy.
- Failure by the market participant to offer the replacement energy will be treated as a severe compliance breach by the IMO. In addition, failure to deliver imports, if scheduled, would also be treated as a severe compliance breach by the IMO.
- Approved outages that are supported by replacement energy will be removed from the time stamp precedence queue and will not subsequently be revoked, or recalled for adequacy except to avoid either an emergency operating state or the continuation of an emergency operating state.
- Outages that are supported by replacement energy import using this mechanism will be eligible for compensation costs if revoked, deferred or recalled as per the existing market rules i.e. for out-of-pocket costs only as per section 6.7.2 of Chapter 5.
- The IMO would have the authority to limit the total number and size of outages supported by replacement energy from imports in order to assure that reliability is not put at risk. The intertie capability available to be purchased will be calculated using methodology detailed in procedures. Where the number of outages are limited they will be selected in order of time stamp precedence.
- Offering to support an outage with an import is a voluntary decision of the MP; there is no obligation on an MP to do so. Accepting import support for an outage is a voluntary decision of the IMO. There is no obligation on the IMO to accept the offer.
- Although this mechanism could be applicable for replacement energy from domestic loads or temporary domestic generation for outages of any facility that impacts adequacy, in the interests of implementing this mechanism as soon as possible, the mechanism, initially, should be restricted to use of imports to replace energy from generation facilities on outage. This restriction will allow existing market mechanisms to be used for implementation i.e. development of new processes,

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procedures, tools is minimized.

PART 5 – FOR *IMO* USE ONLY

<i>Technical Panel Decision on Rule Amendment Submission</i>	
MR number: MR-00219-Q00	
Date submitted to <i>Technical Panel</i>: February 11, 2003	
Accepted by <i>Technical Panel</i> as: <input checked="" type="checkbox"/> General <input type="checkbox"/> Urgent Minor (please indicate with X)	Date: Feb. 11, 2003
Criteria for acceptance: c) It identifies an IMO-controlled grid operating reliability concern; h) It identifies ways to simplify the market and/or reduce participant or IMO costs.	
Priority: High	
Criteria for assigning priority: Pervasiveness of the problem: the extent to which an issue is adversely affecting a number of market participants, the extent of the adverse impact on the affected participants, and the likely duration of the problem (i.e., is it transitory, or will it persist).	
Not accepted (please indicate with X):	
Clarification/interpretation required (please indicate with X):	
<i>Technical Panel</i> minutes reference: IMOTP 121-1	
<i>Technical Panel</i> Comments:	