



Market Rule Amendment Written Submission

This form is used to provide comment on a market rule amendment under consideration by the IMO. 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

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* 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: TransCanada Energy Ltd. (Margaret Duzy)	
<i>(If applicable) Market Participant / Metering Service Provider No. ¹:</i>	Market Participant Class: Generator
Telephone: 416-869-2180	Fax: 416-869-2056
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¹ This number is a maximum of 12 characters and does not include any spaces or underscore.

PART 2 – MARKET RULE AMENDMENT REFERENCE

<p>Type of Rule Amendment being commented on (please indicate with X):</p> <p><u> </u> <i>Amendment Submission</i> <u> X </u> Proposed Rule Amendment <u> </u> Recommended Rule Amendment</p>
<p>MR-# <u>00219-R00</u></p> <p>This Market Rule number is located on the “Current Market Rule Amendment” web page.</p>
<p>Date relevant <i>Amendment Submission</i>, Proposed or Recommended Rule Amendment posted for comment: February 28, 2003</p>

PART 3 – COMMENTS ON RULE AMENDMENT

Provide your comments.

Overview

TransCanada is not an avid proponent of Arranging for Replacement Energy to Support Planned Outages, but TransCanada is willing to engage in further discussions concerning Replacement Energy and/or the process of Outage co-ordination. TransCanada’s reasoning behind this position is that it seems that the IMO is shifting the reliability responsibility to the generators with all the (financial) risk being assumed by the Ontario generator.

Section 6.3.6

Some facilities (eg. Nuclear) plan their outage years in advance and the confirmation time-line (3-2 days before the outage) by the IMO is not sufficient and in fact hinders the planning process. A revision/extension to the confirmation time-line by the IMO may be required to ensure reliability in the Market.

Section 6.3.7

In addition to identifying the intertie zone and the RMP, the quantity (MW) should also be distinctly identified as “replacement energy” through the offer submission.

Section 6.3.8

The ability of a generator to arrange for replacement energy is influenced by factors such as size, risk tolerance, corporate rating, resources, market knowledge and experience within or outside of Ontario. Generators who are not able to arrange for replacement energy due to any of the above reasons are discriminated against. For instance, in the time-stamp order, if Generator 1 (small generator) does not have replacement energy and Generator 2 (who is next in line and is a big generator, eg. OPG) does, the IMO will reject Generator 1 outage and accept Generator 2.

What preventative measures does the IMO have to eliminate gaming of this program? The IMO needs to amend the Market Rules in order to prevent the manipulation of this program. If the Market Rules are not amended, a generator can get its outage approved by arranging for replacement energy and then the RMP (importer) is able to submit an offer at the maximum price (e.g. \$2000) such that it will *not* be dispatched (effectively being non-capacity backed).

Section 6.3.9

How will the IMO determine the minimum MW? Will it be based on the Ontario generator’s historical output?

PART 3 – COMMENTS ON RULE AMENDMENT

Provide your comments.

Section 6.3.10

This section acknowledges who is penalized if there is failure to *offer* the replacement energy, but it does not specify who would be penalized if there is failure to *schedule* the replacement energy if dispatched by the IMO.

It seems that the IMO is shifting the reliability responsibility onto the generators with all the risks being assumed by the Ontario generator. The generators may be reluctant to arrange for replacement energy if they face such penalties and counter-party risks.

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:

Other Comments/Questions

Is replacement energy to support planned outages being used or has been used in other markets? If so, what were the outcomes?

Will the importers who supply the replacement energy be subject IOG payments?

Will replacement energy be considered a firm transaction or will it have to compete with other imports? It is not clear.