



## 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](mailto: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

<b>Name: IMO Staff</b>	
(if applicable) <i>Market Participant / Metering Service Provider No.</i> <sup>1</sup> :	<b>Market Participant Class:</b>
<b>Telephone: (416) 506-2801</b>	<b>Fax: (416) 506-2847</b>
<b>Email Address: <a href="mailto:Rule.Amendments@theimo.com">Rule.Amendments@theimo.com</a></b>	

### PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

<b>Subject: Operating Reserve</b>		
<b>Title: Revised Operating Reserve Restoration Standards</b>		
<b>Nature of request (please indicate with X): <u>  X  </u> Alteration <u>  </u> Deletion <u>  </u> Addition</b>		
<b>Clarification</b>		
<b>Chapter: 5</b>	<b>Appendix:</b>	<b>Sections: 4.5.10, 4.5.21</b>
<b>Sub-sections proposed for amending/clarifying :</b>		

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

**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.

In mid-November, 2002, the Northeast Power Coordinating Council (NPCC) adopted new standards for restoration of operating reserve and the recovery period to re-establish Area Control Error (ACE) following a contingency. ACE is a measure of the imbalance between the load and generation in a control area. When there is a contingency, control areas now have 15 minutes rather than 10 to restore ACE to zero or to pre-contingency levels.

NPCC adopted a new standard related to the time to restore the 10 minute Operating Reserve (OR) after a contingency. The 10 minute OR restoration standard is now 105 minutes rather than 30 minutes after a contingency that is a reportable event, or 90 minutes for a shortfall that was not due to a contingency that is a reportable event. There is no change in the 30-minute reserve standard.

The IMO believes it is appropriate for the IMO to adopt the new standards since it will improve economic efficiency in the market (i.e. lower overall costs) while still maintaining system reliability to the level of established industry standards. The IMO does not see any reason to maintain a reliability standard in this area in excess of that determined to be acceptable to the industry at large. There would be no IMO tool changes required to facilitate the new NPCC standards and there should, consequentially, be a reduction in the number and magnitude of manual intervention by the IMO to maintain the reliability on the IMO-controlled grid. There are no changes to the existing requirements related to the activation of each type of operating reserve. There would also be no impacts on a Market Participant's interfaces with the IMO – dispatch instructions will be sent and received in the same manner as they currently are.

The market rules in section 4.5 of Chapter 5 are written consistent with meeting the previous NPCC standards for operating reserve. IMO compliance with the existing rules would allow the IMO to meet the new NPCC standards since the previous NPCC standards are stricter than the revised standards. However the existing market rules are very prescriptive in nature. Maintaining prescriptive market rules in this regard would mean that any future changes to NPCC operating reserve criteria or standards would require a market rule amendment. Such prescriptive market rules should only be necessary if Ontario's criteria or standards will differ from NPCC's, since the detailed criteria and standards would be contained in other market documents and are published by NPCC. Therefore, the IMO proposes that the market rules be amended accordingly.

**PART 4 – PROPOSAL (BY SUBMITTER)**

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

Section 4.5.10 of Chapter 5 should be modified by removing the explicit requirement that the IMO re-establish the 10 minute operating reserve in thirty minutes and replacing that with a more general reference to re-establishing the reserve in accordance with the applicable reliability standards. Detailed criteria and standards will be included in the applicable market manual.

Similarly in section 4.5.21 of Chapter 5, the section explicitly references very specific NPCC procedures including that the restoration time for thirty minutes operating reserve will be four hours. Although the four hour restoration time remains the same in the NPCC procedures it is proposed that this sub-section be revised to reflect a more general reference to the applicable reliability standards. Again, detailed criteria and standards will be included in the applicable market manual.

**PART 5 – FOR *IMO* USE ONLY**

<b>Technical Panel Decision on Rule Amendment Submission</b>	
<b>MR number: MR-00234-Q00</b>	
<b>Date submitted to Technical Panel:</b> June 5, 2003	
<b>Accepted by Technical Panel as:</b> <input checked="" type="checkbox"/> General <input type="checkbox"/> Urgent <input type="checkbox"/> Minor (please indicate with X)	<b>Date:</b> June 10, 2003
<b>Criteria for acceptance:</b> The amendment reduces participant costs while maintaining an acceptable level of reliability	
<b>Priority:</b> High	
<b>Criteria for assigning priority:</b> the cost, provision, use and restoration of operating reserve affects all market participants	
<b>Not accepted (please indicate with X):</b>	
<b>Clarification/interpretation required</b> (please indicate with X):	
<b>Technical Panel minutes reference:</b> IMOTP 127-1	
<b>Technical Panel Comments:</b> The Technical Panel commented that the amendment should be considered in the context of the other out-of-market actions the IMO is undertaking. The Technical Panel recommended that the amendment submission be posted and comments be invited from stakeholders until June 21, 2003.	