



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00255-R00		
Subject:	Power System Reliability		
Title:	Extension of Emergency Demand Response Program		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	5	Appendix:	
Sections:	4.8A		
Sub-sections proposed for amending:	4.8A.2		

PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Submitted for Technical Panel Review and Vote	25 Feb 04
2.0	Recommended by Technical Panel and Submitted to IMO Board for Approval	2 Mar 04
Approved Amendment Publication Date:		
Approved Amendment Effective Date:		

PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

Provide a brief description of the following:

- The reason for the proposed amendment and the impact on 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*.

Summary

Rule amendments are required to implement an IMO Board decision to extend the Emergency Demand Response Program (EDRP). The proposed amendments would:

- Call for the IMO Board to review the need for EDRP prior to the expiration of any EDRP contracts, and
- Provide that the market rules associated with EDRP would cease to have effect when the IMO Board determines that there is no longer a need for EDRP.

These amendments are consistent with and would implement the above IMO Board decision, and also eliminate the need for future rule amendments for any future extension of the EDRP.

Background and Discussion

The Emergency Demand Response Program allows the IMO to contract with market participant load such that the IMO can call upon those load customers to be interrupted on short-notice prior to or during an emergency operating state. The IMO Board approved the Emergency Demand Response Program in July 2002. At its February 2003 meeting, the IMO Board extended the duration of the program for another year. The current market rules allowing for the Emergency Demand Response Program will cease to have effect on April 30, 2004.

At its meeting on February 13, 2004, the IMO Board approved an 18-month extension to the EDRP, i.e. until October 31, 2005.

This IMO Board decision represents the second extension of the EDRP. Under the current market rule wording, which specifies an end date to the EDRP, any extension decision in the past has required a market rule amendment, and any extension decision in the future would require a further market rule amendment.

In order to eliminate the need for future rule amendments for a future extension(s) and/or cancellation of EDRP it is proposed that the market rules associated with EDRP be allowed to remain in force until such time that the IMO Board determines that the EDRP is no longer required. To ensure that the need for EDRP is evaluated on an ongoing and timely basis, it is proposed that the IMO Board review the need for EDRP prior to the expiration of any EDRP contract.

These amendments are consistent with and would implement the above IMO Board decision, and also eliminate the need for future rule amendments for any further extension of the EDRP. The proposed rule amendment would authorize the IMO Board to review the need for EDRP on an ongoing and timely basis and to terminate the EDRP if the Board so chooses.

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 ~~The *IMO Board* shall review the need for emergency demand response load prior to the expiration of any contract entered into for the provision of emergency demand response load. When the *IMO Board* decides there is no longer a need for emergency demand response load, section 4.8A.1, 4.8A.2 and related sections 9.2.2.4 of chapter 7 and 4.2.3A of chapter 9 shall cease to have effect on the date so determined by the *IMO Board* and be denoted as [Intentionally left blank]. 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 24 months after the date on which section 26.(1) of the Electricity Act, 1998 comes into force.~~

PART 5 – IMO BOARD COMMENTS

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