Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	**MR-00267-R00**			
Subject:	**Day-Ahead Market – Bids, Offers and Data Input**			
Title:	**Data Submissions for the Day-Ahead Market**			
Nature of Proposal:	☐ Alteration	☐ Deletion	☒ Addition	
Chapter:	12	Appendix:		
Sections:				
Sub-sections proposed for amending:	2 (new)			

PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Submitted for Technical Panel Review	14 Oct 04
2.0	Publication and request for stakeholder comment	21 Oct 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

The following amendment proposal is required to incorporate offers, bids and data input requirements into the market rules for the day-ahead market (DAM).

Market participant submission of DAM offers and bids, existing IMO pre-market processes and IMO data input (such as SSRs, SAA reports, load forecasts and security limits) all contribute to the input for the DAM calculation engine. These key data submissions and input processes for the DAM are summarized as follows:

Market participant dispatch data submission processes for the DAM include all activities pertaining to the submissions of physical offers for energy and operating reserve, and physical bids for energy and virtual offers and bids for energy. Market participants may also submit DAM physical bilateral contract (PBC) data.

Market participant dispatch data submissions for the DAM also include schedules of energy supply for self-scheduling generation facilities, including transitional scheduling generators, and forecasts of energy injections by intermittent generators.

IMO pre-market processes and data input include all functions to prepare, modify and validate data to be used by the unit commitment, constrained dispatch and unconstrained dispatch passes of the DAM calculation engine. These inputs for the DAM calculation engine are comparable to the inputs used for the RTM dispatch algorithm but there are some additional inputs.

Additional inputs by the IMO may be required when a resource has been cycled “on” or “off” at the end of a DAM run and its minimum required time in that cycled state has not been satisfied for that dispatch day. In this situation, the remaining hours required will automatically be carried over to the next day’s DAM run. In circumstances when “on” or “off” cycles from the DAM results differ from what actually happened in the real-time operation of the grid, the carry over of the remaining hours may need to be modified by the IMO to correctly reflect the initial conditions at the start of the next DAM run.

All DAM bids and offers and DAM physical bilateral contract data will be used by the settlement process in the form that they were submitted by the market participant during the window for the submission of dispatch data. Any modifications to bid/offer prices that might be made within various passes of the DAM calculation engine or until the window for changes in the real-time market closes will not be used by the settlement process for the day-ahead market.

The DAM uses both existing (including the ability to provide standing offers and bids) and new constructs for energy offers and bids. New constructs include multi-part and multi-hour physical energy offers and bids, multiple block load bids, as well as virtual energy offers and bids.

Multi-part offers and bids allow the market participant to separate and recover fixed and variable costs associated with the offer of energy or bid for load-response, reflecting the physical limitations of a

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resource independent of the incremental or decremental energy cost. Multi-part offers and bids also allow these facilities to be optimally scheduled in a manner reflective of their physical limitations.

Generation Offers

Generation facilities may be registered in the IMO-administered markets under two general types (one for dispatchable and one for non-dispatchable generation) with several sub-classifications. Dispatchable generation sub-classifications include Quick Start Facilities, Hourly Committable Generation, Automatic Generation Control (AGC or Regulation) Generation[1], and Reliability Must Run (RMR) Generation. The sub-classifications for non-dispatchable generation include Self-Scheduling Generation Facilities (SSG), Transitional Scheduling Generators (TSG), and Intermittent Generators (IG). The treatment of the sub-classes of non-dispatchable generation in the DAM is identical to dispatchable generation except that they cannot offer operating reserve. These non-dispatchable facilities will be able to offer into the DAM and receive financially binding schedules consistent with their offers. Similar to their current obligations for the real-time market, SSGs, TSGs and IGs will be required to submit schedules and forecasts of energy supply to the DAM. This represents a shift of that obligation from the real time to the DAM.

The new aspects of the offer construct within the DAM are summarized as follows:

- Multi-part offers include an incremental energy offer (that specifies the applicable time – hourly resolution - and up to 20 price/quantity pairs comparable to RTM offers), a minimum generation block (that specifies the minimum generation level in MWs and cost in $/hour), and startup costs ($/startup). Startup costs may be submitted in one of the following ways: 1) based on the hour of the dispatch day for which the specified start-up costs would apply (would suit resources that cycle only once each day), 2) based on the time period elapsed in the dispatch day since the facility was last cycled off (would suit resources that cycle more than once each day), and 3) no startup costs. All dispatchable generation and non-dispatchable generation may submit multi-part offers that will be validated against data provided through the facility registration process.

  For example, a multi-part offer could include an incremental energy offer, a minimum generation block, and an hourly start up cost. The incremental energy offer would specify the applicable time and up to 20 price($)/quantity(MW) pairs. The minimum generation block would specify the applicable time, the minimum generation level (MW), and the minimum generation cost ($/hour). The hourly startup costs would specify the applicable time and startup costs ($/start).

  Market participants with generation facilities that have been designated as Hourly Committable Generation (HCG) may elect to declare themselves offering in as an HCG or a non HCG resource for the DAM. Offers specified when a resource has declared itself as an HCG will only be considered valid if the values specified for turnaround time, minimum run time and minimum down time are less than or equal to 1 hour. In addition the ramp rate up must also be sufficient to allow the resource to be ramped from zero to full output within 1 hour. An HCG eligible facility electing to offer as non HCG for the DAM will have its offers validated as any other generation facility.

[1] Automatic Generation Control (AGC) generation cannot participate in the DAM for the hours that they are nominated to provide AGC. An alternative design to accommodate future AGC contracts which will allow AGC generation to participate in the DAM is currently being evaluated.

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Load Bids

Load facilities may be registered in the DAM under two general types (one for price sensitive loads and one for price responsive loads). Price sensitive loads are loads that seek to cover their load position in the day-ahead market and are not expected to reduce consumption whether or not their bid clears the day-ahead market. A price responsive load indicates a load that is willing to limit its consumption to reduce the total cost of supplying the day-ahead market.

The new aspects of the bid construct within the DAM have been developed to meet the needs expressed by load participants and are summarized as follows:

- Market participants with price sensitive loads can submit either single part hourly or multi-hour bids to consume energy. A multi-hour bid includes only 1 price/quantity pair. More than one multi-hour bid can be submitted for the day.
- Market participants with price sensitive loads can also register as a multiple block load. This will allow a market participant with a single load facility with multiple discrete levels of load consumption to submit multiple day-ahead bids associated with a single delivery point. Only multi-hour bids with 1 price/quantity pair are permitted for each block of a price sensitive multiple block load.
- Market participants with price responsive load (dispatchable or non-dispatchable) may submit multi-part bids that will include a decremental energy bid, a minimum load reduction amount, the ongoing cost for minimum load reduction, and a load reduction cost.
- Market participants with price responsive loads (dispatchable or non-dispatchable) can also register as a multiple-block load. This will allow the market participant with a single load facility with multiple discrete levels of load reduction to submit multiple day-ahead bids associated with a single delivery point. The price responsive multiple-block load bid will specify the applicable time for the bid, the minimum load reduction time, the minimum time between load reductions, the load reduction cost for the block, and a single price/quantity pair.

A new generic load bidding construct will allow market participants to submit a combination of one price responsive multi-part bid, a number of price responsive multiple block bids, one hourly or multi-hour price sensitive bid, and a number of price sensitive multiple block bids for several load components registered at a single delivery point.

The new DAM offer and bid constructs for physical transactions will require IMO validation of those offers and bids against physical parameters for the generation and load facilities that are submitted as part the facility registration process. IMO validation of the bids for load components as part of the generic load bid construct will also be required.

Boundary Entities

Dispatch data for imports and exports of energy will consist of two constructs: single part hourly and single part multi-hour.

Hourly imports may be submitted as incremental energy offers and hourly exports may be submitted as decremental energy bids. Hourly imports and exports must specify the intertie and related source/sink, provide an identifier (e.g.. a NERC tag), specify the applicable time for the offer/bid, and may contain up to 20 price/quantity pairs. Hourly imports and exports will be eligible to provide operating reserve.

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Multi-hour offers and bids must specify the intertie and related source/sink, provide an identifier such as a NERC tag and will allow the importer/exporter to indicate the quantity of energy they desire to sell/buy in every hour, the starting hour of the day they wish to offer/bid it, the number of consecutive hours that the energy must be scheduled and the minimum/maximum average price that must be realized across the number of hours for the energy to be scheduled. Multi-hour bids can only contain one price/quantity pair. More than one multi-hour offer or bid can be submitted for the day. Multi-hour offers and bids will not be eligible to provide operating reserve.

Virtual Transactions

Virtual transactions will allow authorized market participants to submit virtual offers to sell energy and virtual bids to buy energy in the Ontario zone without the expectation that they will physically supply or consume energy in real-time. Virtual transactions are expected to add liquidity to the DAM. Virtual offers for operating reserve are not allowed. Virtual transactions will only consist of incremental or decremental single - part bids/offers.

The new DAM offer and bid constructs for virtual transactions will involve validation of the total daily virtual trading volume against a virtual transaction trading limit elected by the market participant. The IMO will authorize this trading limit based on the posting of the required prudential support (See MR-00274).

Physical Bilateral Contract Data (refer to R01)

Physical bilateral contract (PBC) data can be submitted in the DAM in a comparable manner as it is submitted in the RTM today. In addition to the changes to Chapter 8 section 2 of the existing market rules required allowing PBC data to be submitted in the DAM there are proposed rule amendments that clarify the provisions of the current PBC data provisions. In particular see sections: 2.1.2.2 b, c, and d; 2.2.3; and 2.4.11A.4.

PART 4 – PROPOSED AMENDMENT

2.0 Data Submissions for the Day-Ahead Market

2.1 The Data Submission Process for the Day-ahead Market

2.1.1 Each *market participant* shall submit its *dispatch data* for the *day-ahead market* to the *IMO* through the *electronic information system* or, when not available, by such alternative means and/or in such alternative simplified form as may be specified by the *IMO* as set out in section 2.1.2.3.

2.1.2 The *IMO* shall:

2.1.2.1 stamp all *dispatch data* for the *day-ahead market* with the time that it was received by the *IMO*;

2.1.2.2 within five minutes, confirm receipt of all such *dispatch data* for the *day-ahead market* through the *electronic information system*; and

2.1.2.3 specify alternative means and/or an alternative simplified form of submitting and confirming receipt of *dispatch data* for the *day-ahead market* when the *electronic information system* is unavailable.

2.1.3 The *IMO* shall reject any *dispatch data* for the *day-ahead market* that does not comply with the rules set out in this section 2 and shall provide to the *market participant* the reasons for such rejection.

2.1.4 A *market participant* shall, if requested by the *IMO*, resubmit *dispatch data* for the *day-ahead market* by such means as may be specified by the *IMO* in the request.

2.2 Dispatch Data Submissions for the Day-ahead Market (Timing, Use and Standing)

2.2.1 A *market participant* that submits or is required to submit *dispatch data* for the *day-ahead market*, shall submit initial *dispatch data* for each applicable *dispatch hour* of the next *dispatch day* after 06:00 EST but before 10:00 EST of the *pre-dispatch day* unless the *market participant* has submitted standing *dispatch data* as set out in section 2.2.4. Such initial *dispatch data* may thereafter be revised as permitted by section 2.2.2.

2.2.2 A *market participant* may submit revised *dispatch data* into the *day-ahead market* with respect to any applicable *dispatch hour* without restriction provided that it is received by the *IMO* before 10:00 EST of the *pre-dispatch day*. Revised *dispatch data* will not be accepted after 10:00 EST.

2.2.3 The *IMO* shall use the *dispatch data* submitted by *market participants* provided that it is received by the *IMO* before 10:00 EST of each *pre-dispatch day* as inputs into the *DAM calculation engine* in accordance with section 3.

2.2.4 A *market participant* may submit standing *dispatch data* for the *day-ahead market* for a *given trading day* of a *trading week*. Such standing *dispatch data* shall:

2.2.4.1 define the *dispatch data* for each applicable *dispatch hour* of each applicable *dispatch day*;

2.2.4.2 in respect of each *dispatch day* for which it is in effect, be deemed for the purposes of this section 2.2 to be initial *dispatch data* for the *day-ahead market* at 06:00 EST on the *pre-dispatch day*; and

2.2.4.3 remain in effect until the expiration date specified in the standing *dispatch data* unless earlier withdrawn or earlier revised by the *market participant*. Any such withdrawal or revision of *dispatch data* shall become effective at 06:00 EST on the next *pre-dispatch day*.

2.3 The Form of Dispatch Data for Physical Transactions in the Day-Ahead Market

2.3.1 *Dispatch data* for a *generation facility* for a *physical transaction* in the *day-ahead market* shall apply to a specified *dispatch hour* of the next *dispatch day* and to a specified *registered facility*, and shall comply with the applicable provisions of this section and sections 2.5 and 2.6 and shall take the following forms:

2.3.1.1 for a *dispatchable* or *non-dispatchable generation facility*, the *registered market participant* for that *generation facility* shall submit *dispatch data* in the form of an *offer* to sell *energy* in the *day-ahead market*. Such *offers* may be *single part offers* or *multi-part offers* as set out in section 2.5;

2.3.1.2 for a *self-scheduling generation facility*, the *registered market participant* for that *facility* shall, in addition to any *offer* made under section 2.3.1.1, submit a *self-schedule* indicating the amount of *energy* that the *registered market participant* intends to be provided by that *self-scheduling generation facility* in each *dispatch hour* of the next *dispatch day* in such form as may be specified by the *IMO* in the applicable *market manual* and comply with section 2.5.15;

2.3.1.3 for an *intermittent generator*, the *registered market participant* for that *facility* shall, in addition to any *offer* made under section 2.3.1.1, submit a forecast of the amount of *energy* that the *intermittent generator* will provide in each *dispatch hour* on the next *dispatch day* in such form as may be specified by the *IMO* in the applicable *market manual* and comply with section 2.5.15; and

2.3.1.4 for a *transitional scheduling generator, the registered market participant* for that *facility* shall, in addition to any *offer* made under section 2.3.1.1, submit its forecast of the amount of *energy* that the *transitional scheduling generator* will provide in each *dispatch hour* on the next *dispatch day* in such form as may be specified by the *IMO* in the applicable *market manual* and comply with section 2.5.15;

2.3.2 *Dispatch data* for a *load facility* for a *physical transaction* in the *day-ahead market* shall apply to a specified *dispatch hour* of the next *dispatch day* and to a

specified *load component*, and shall comply with the applicable provisions of this section and sections 2.5 and 2.6 and shall take the following forms:

2.3.2.1 for *a price sensitive load*, the *registered market participant* for that *load facility* to which the specified *load component* is associated shall submit *dispatch data* in the form of a *bid* to purchase *energy* from the *day-ahead market*. Such *bids* may be *single part bids*, multi-hour *bids*, or multiple block *bids* as set out in section 2.5;

2.3.2.2 for a *price responsive load*, the *registered market participant* for that *load facility* to which the specified *load component* is associated shall submit *dispatch data* in the form of a *bid* to purchase *energy* from the *day-ahead market*. Such *bids* may be *single part bids, multi-part bids* or multiple block *bids* as set out in section 2.5;

2.3.3 *Dispatch data* submitted by a *registered market participant* for a *boundary entity* for a *physical transaction* in the *day ahead market* shall apply to a specified *dispatch hour* of the next *dispatch day* and to a specified *registered facility*, and shall comply with the applicable provisions of this section, sections 2.5 and 2.6, and section 3.4F.3 of Chapter 9 and shall take the form of an *offer* to sell *energy* in the *day-ahead market* or a *bid* to purchase *energy* from the *day-ahead market*. Such *offers* and *bids* may be *single part offers* or *bids* or multi-hour *offers* or *bids* as set out in section 2.5.

2.3.4 A *registered market participant* may make an *offer* of *operating reserve* for a *dispatchable generation facility*, a *price responsive load*, or a *boundary entity* as set out in section 2.6.

2.4 The Form of Virtual Transaction Data for the Day-ahead Market

2.4.1 *Virtual transaction offers* and *bids* for the *day-ahead market* shall relate to a specified *dispatch hour* of the next *dispatch day* and to the Ontario zone.

2.4.2 For a *market participant* authorized to submit a *virtual transaction* in the *day-ahead market* such *virtual transactions* shall take the form of an *offer* to sell *energy* in the *day-ahead market* or a *bid* to purchase *energy* from the *day-ahead market*.

2.4.3 A *market participant* shall not submit *virtual transactions* in the *day-ahead market* for a *boundary entity*.

2.5 Energy Offers and Bids for the Day-ahead Market

2.5.1 Market Participants shall submit dispatch data for *physical transactions* and *virtual transactions* using such forms as may be specified by the *IMO* in the applicable *market manual*.

2.5.2 Each *offer* or *bid* in the *day-ahead market* shall contain prices, each with an associated quantity. A price and the associated quantity in an *offer* or *bid* is a *price-quantity pair* and shall comply with the following:

2.5.2.1 the quantity in any *price-quantity pair* shall be a cumulative quantity representing the maximum quantity the *market participant* is offering to sell or bidding to buy, respectively, at the associated price in the *price-quantity pair*;

2.5.2.2 in any *offer*, the price in each *price-quantity pair* must not decrease as the associated quantity increases; and

2.5.2.3 in any *bid*, the price in each *price-quantity pair* must not increase as the associated quantity increases.

2.5.3 Each *physical transaction* or *virtual transaction offer* or *bid* must contain at least one *price-quantity pair* and specify the quantity for each applicable *dispatch hour*. The price in each such *price-quantity pair* shall be not more than the *maximum market clearing price* or *MMCP* and not less than the negative *MMCP* except where a *generation facility* enters a null price in conjunction with an offer that includes a *minimum generation level*.

2.5.4 A *single part offer* or *bid* shall contain such information as specified by the *IMO* in the applicable *market manual* including at least two and up to 20 *price-quantity pairs* for each applicable *dispatch hour*. The quantity in the first *price-quantity pair* shall be 0 MW. The price in the second *price-quantity pair* shall be the same as the price in the first *price-quantity pair*.

2.5.5 A *multi-part offer* shall contain such information as specified by the *IMO* in the applicable *market manual* including at least two and up to 20 *price-quantity pairs* for each applicable *dispatch hour*. The quantity in the first *price-quantity pair* shall be 0 MW and the quantity in the second *price-quantity pair* shall be the specified *minimum generation level*. The price in the first two *price-quantity* pairs shall be null. A *multi-part offer* shall specify a *minimum generation level*, a *minimum generation cost* and *startup costs*.

2.5.6 A *multi-part bid* shall contain such information as specified by the *IMO* in the applicable *market manual* including at least two and up to 20 *price-quantity pairs* for each applicable *dispatch hour*. The quantity in the first *price-quantity pair* shall be 0 MW. The price in the second *price-quantity pair* shall be the same as the price in the first *price-quantity pair*. A *multi-part bid* shall specify a *minimum*

load reduction, the *ongoing cost of minimum load reduction*, and the *load reduction cost*.

2.5.7 A multi-hour *offer* or *bid* shall contain such information as specified by the *IMO* in the applicable *market manual* including the applicable starting *dispatch hour*, a duration greater than or equal to two hours and less than or equal to 24 hours and a single *price-quantity pair*.

2.5.8 A *price sensitive multiple block load bid* shall contain such information as specified by the *IMO* in the applicable *market manual* including the applicable starting *dispatch hour*, a duration greater than or equal to two hours and less than or equal to 24 hours and a single *price-quantity pair*.

2.5.9 A *price responsive multiple block load bid* shall contain such information as specified by the *IMO* in the applicable *market manual* including the applicable *dispatch hour* and shall specify a *minimum load reduction*, the *ongoing cost of minimum load reduction*, and the *load reduction cost*.

2.5.10 An *offer* for an *hourly committable generation facility* shall contain such information as specified by the *IMO* in the applicable *market manual* and shall:

2.5.10.1 specify that the *generation facility* is to be treated as *an hourly committable generation facility*;

2.5.10.2 contain values of one hour or less for its *turnaround time, minimum run time* and *minimum down time*; and

2.5.10.3 specify a *ramp rate up* sufficient to allow the *facility* to be ramped to full output within 1 hour.

2.5.11 *Physical transaction offers* and *bids* may include negative prices and such negative prices shall mean:

2.5.11.1 when in an *offer*, that the *registered market participant* is willing to pay up to that price for each MWh of *energy* it sells rather than reduce its output on the next *dispatch day*; and

2.5.11.2 when in a *bid*, that the *registered market participant* is willing to purchase excess *energy* in the *day-ahead market*, but only if paid at least that price for each excess MWh purchased on the next *dispatch day*.

2.5.12 *Physical transaction offers* or *bids* submitted for a *generation facility* or a *price responsive load* shall contain up to five sets of ramp quantities and ramp up/ramp down values for each applicable *dispatch hour*. The ramp quantity and expression shall be specified by the *IMO* in the applicable *market manual*.

2.5.13 The largest quantity in any *physical transaction offer* or *bid* for any *dispatch hour* must be at least 1.0 MWh but shall not exceed the lesser of:

2.5.13.1 the *maximum generation capability* or *maximum facility demand* indicated in the registration information for the relevant *registered facility*;

2.5.13.2 the maximum quantity of *energy* that can be supplied (for an *energy offer*) or taken (for an *energy bid*) in that *dispatch hour* by the *registered facility* or a *load component* of a *registered facility*, as estimated by the *registered market participant* for that *registered facility* or *load component* of a *registered facility*; or

2.5.13.3 the maximum allowed injection (for an *energy offer*) or withdrawal (for an *energy bid*) in that *dispatch hour* through the relevant *connection point*, as limited by the lesser of (i) the capacity of any radial line connecting the *registered facility* to the *connection point*; (ii) the maximum injection or withdrawal as specified in the *connection agreement* applicable to the *registered facility*; or (iii) the maximum injection or withdrawal otherwise permitted by the relevant *transmitter*.

2.5.14 A *registered market participant* offering *energy* from a specified *registered facility* may submit *dispatch data* in the *day-ahead market* specifying a maximum amount of *energy* that can be scheduled by the *IMO* for that *registered facility* over a *dispatch day*.

2.5.15 Every submission of schedules for the next *dispatch day* submitted in the *day-ahead market* with respect to a *self-scheduling generation facility* or forecasts for the next *dispatch day* submitted in the *day-ahead market* for an *intermittent generator* or *transitional scheduling generator* shall specify a price, in $/MWh, at and below which the applicable *registered market participant* intends to reduce the *energy* output of such *self-scheduling generation facility* or *intermittent generator* or *transitional scheduling generator* to zero on the next *dispatch day*. Such price may be zero or negative but may not be less than negative *MMCP*.

2.5.16 All wheeling through transactions in the *day-ahead market* shall consist of an individual *energy offer* from a *boundary entity* selling *energy* into the *day-ahead market* and an *energy bid* from a *boundary entity* purchasing *energy* from the *day-ahead market*, and an indication that such *offer* and *bid* be linked, in accordance with the applicable *market manual*. The *IMO* shall assess such *offers* separately from the associated *bids*. The *IMO* shall schedule the linked *offers* and *bids* such that both are equal to the lower quantity of the *offer* or *bid* that would otherwise be scheduled.

2.6 Operating Reserve Offers for the Day-Ahead Market

2.6.1 A *registered market participant* for a *generation facility* or *boundary entity* may not submit, for any *registered facility*, more than one *offer* in the *day-ahead market* to provide each class of *operating reserve* in any *dispatch hour*.

2.6.2 A *registered market participant* for a *load facility* may not submit, for any *load component*, more than one *offer* in the *day-ahead market* to provide each class of *operating reserve* in any *dispatch hour*.

2.6.3 Each *offer* to provide *operating reserve* in the *day-ahead market* shall contain such information as specified by the *IMO* in the applicable *market manual* including at least 2 and up to 5 *price-quantity pairs* for each class of *operating reserve* for each applicable *dispatch hour*. The price in each such *price-quantity pair* shall be not more than the *maximum operating reserve price* or *MORP* and not less than zero.

2.6.4 Each *offer* to provide *operating reserve* in the *day-ahead market*, except for an *offer* submitted by a *registered market participant* for a *boundary entity*, must contain one ramp rate applicable to all categories of *operating reserve* being offered. A *registered market participant* submitting an *offer* to provide *operating reserve* for a *boundary entity* shall not submit a ramp rate.

2.6.5 Each *offer* to provide *operating reserve* in the *day-ahead market* shall be accompanied by a corresponding *physical transaction offer* or *bid* for *energy* in the *day-ahead market* that covers the same MW range.

2.6.6 *Offers* to supply *operating reserve* shall be submitted in such form as may be specified by the *IMO* in the applicable *market manual*.

2.6.7 *Offers* for *operating reserve* by way of *virtual transactions* are not allowed.

2.7 Update Information for the Day-Ahead Market

2.7.1 For the *day-ahead market transmitters* shall provide the *IMO* with the information set out in section 12.1.1A.3, chapter 7 and *generators* shall provide the *IMO* with updates to their *outage* plan as set out in section 6, chapter 5 at the same time as set out in section 12.1.1A.3, chapter 7 in such form as the *IMO* may specify.

PART 5 – IMO BOARD COMMENTS

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Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	**MR-00267-R01**			
Subject:	**Day-Ahead Market – Bids, Offers and Data Input**			
Title:	**Physical Bilateral Contract Data and Quantities**			
Nature of Proposal:	☒ Alteration	☐ Deletion	☐ Addition	
Chapter:	8	Appendix:		
Sections:	2			
Sub-sections proposed for amending:				

PART 2 – PROPOSAL HISTORY – PLEASE REFER TO MR-00267-R00

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Please refer to MR-00267-R00.

PART 4 – PROPOSED AMENDMENT

2. Physical Bilateral Contract Data and Quantities

2.1 Overview

2.1.1 Any *market participant* (or any other person) may, subject to *applicable laws* and regulations, enter into, administer and settle *physical bilateral contract*s with another *market participant* (or any other person). Provided that such *physical bilateral contract*s are matters strictly between the parties and are not in any way to affect the operation of the *real-time markets*, ~~or~~ the *physical markets*, or *the day-ahead market* to be administered by the *IMO* pursuant to Chapter 7 and Chapter 12, such *physical bilateral contract*s:

2.1.1.1 may but need not be reported to the *IMO* for operational, settlement or any other purposes; and

2.1.1.2 are not subject in any way to these *market rules*.

2.1.2 Any *selling market participant* selling under a *physical bilateral contract* to a *buying market participant* may submit *physical bilateral contract data* to the *IMO* for either or both of the *real-time market* and *day-ahead market* complying with the requirements of this section 2, and the *IMO* shall:

2.1.2.1 use such *physical bilateral contract data* and, if necessary, operational data to determine the *physical bilateral contract quantities* of *energy* sold by the *selling market participant* to the *buying market participant*

in each applicable *dispatch hour* of the *dispatch day* at the location designated in the *physical bilateral contract data*;

2.1.2.2 for the *real time market* determine, in respect of each of the *selling market participant* and the *buying market participant*, the value of the *physical bilateral contract quantity* referred to in section 2.1.2.1 for each applicable *metering interval* or *settlement hour*, as the case may be, of the relevant *dispatch day* based:

a. in the case of the *buying market participant*, on the *hourly Ontario energy price*, when the location specified pursuant to section 2.2.1 relates to a *non-dispatchable load*, a *self-scheduling generation facility*, a *transitional scheduling generator* or an *intermittent generator*;

b. in the case of the *selling market participant*, on the 5-minute ~~*energy*~~ *market price* for *energy*, when the location specified pursuant to section 2.2.1 relates to a *non-dispatchable load*, a *self-scheduling generation facility*, a *transitional scheduling generator* or an *intermittent generator*;

c. in the case of each of the *buying market participant* and the *selling market participant*, on the 5-minute *energy market* price, when the location specified ~~pursuant to~~in section 2.2.1 relates to a *generation facility*~~*generator*~~ other than one referred to in section 2.1.2.2(a) or a *dispatchable load facility*; or

d. in the case of each of the *buying market participant* and the *selling market participant*, on the 5-minute ~~*energy*~~ *market price* for *energy*, ~~at the *intertie metering point* specified pursuant to section 2.2.1,~~ when ~~such~~the location specified in section 2.2.1 is an *intertie metering point*;

and apply such value in determining *the selling market participant's* and the *buying market participant's* respective net ~~energy market~~ *settlement* credit in the *day-ahead market* or the *real-time market* for the applicable *metering interval* or *settlement hour* , as the case may be, pursuant to section 3.3 of Chapter 9; ~~and~~

2.1.2.3 [Intentionally left blank]

2.1.2.4 [Intentionally left blank]

2.1.2.5 [Intentionally left blank]

2.1.2.6 for either the *real time market* or *day-ahead market*, in the *settlement process* for each *settlement hour*, allocate some or all of the various components of *hourly uplift* assessed on the *physical bilateral contract quantity* between the *buying market participant* and the *selling market participant* as specified in the *physical bilateral contract data*; and~~.~~

2.1.2.7 for the *day-ahead market* determine, in respect of each of the *selling market participant* and the *buying market participant*, the value of the *physical bilateral contract quantity* for each applicable *settlement hour*, based on the *energy price* from *pass* 5 of ~~-~~the *DAM calculation engine*, at the location specified in the *physical bilateral contract data* ~~pursuant to~~ in sections 2.2.1 and 2.2.1A;

2.1.3 The *IMO* shall not, in any of its system operation~~s~~, ~~*physical market*~~ operation of the *day-ahead market* or the *real-time market* or ~~market~~ *settlement processes*, accept, acknowledge, record or use any *physical bilateral contract data* with respect to any contracts to which it is not itself a party, except as specified in this section 2.

2.2 The Content of Bilateral Contract Data

2.2.1 Any *selling market participant* may submit to the *IMO physical bilateral contract data* defining *physical bilateral contract quantities* of *energy* that it is selling to a specified *buying market participant* in either the *day-ahead market* or the *real-time market* in specified hours and at any location, so long as it is either:

2.2.1.1 a specified *delivery point* associated with an *RWM* within Ontario; or

2.2.1.2 a specified *intertie metering point*, interpreted to mean a location outside Ontario within the *intertie zone* served by that *intertie metering point.*

2.2.1A Any *selling market participant* submitting to the *IMO physical bilateral contract data* for the *day-ahead market* in which the *delivery point* referred to in section 2.2.1.1 applies to a *load facility* shall also specify the *load component ID* to which the *physical bilateral contract* applies.

2.2.2 A *selling market participant* may specify in its *physical bilateral contract data* that it will be responsible for some or all of the components of *hourly uplift* that the *buying market participant* would otherwise pay on the *physical bilateral contract quantities.*

2.2.3 A *selling market participant* may identify in its *physical bilateral contract data* a specific *primary RWM* or *intertie metering point* as the ~~seller's~~ *selling market participant's* location from which it is notionally transporting the *physical bilateral contract quantity*~~., it being understood that the~~ However, such ~~seller's~~ location shall have no effect on the valuation referred to in section 2.1.2, on operations described in Chapter 7 or on final *settlement amounts* as determined in accordance with Chapter 9.

2.3 The Form of Bilateral Contract Data

2.3.1 Subject to section 2.3.2, a *selling market participant* shall submit *physical bilateral contract data* in a form that has been approved by the *IMO*. Such *IMO*-approved forms shall include, but are not limited to, data files containing ~~either of~~ the following:

2.3.1.1 for *physical bilateral contract data* submitted in the *real-time market*, an indication that the quantity of *energy* that the *selling market participant* is selling to a designated *buying market participant* in each hour, is 100% of the applicable *market participant's metering data*, adjusted and summed in accordance with section 2.4.3 of Chapter 9 and determined without regard to any *physical allocation data*, at the location designated in the *physical bilateral contract data* pursuant to section 2.2.1, provided that:

a. such location is one referred to in section 2.2.1.1; and

b. either the *selling market participant* or the *buying market participant* is the *metered market participant* in respect of the *RWM* or *RWMs* associated with such location;

2.3.1.1.A for *physical bilateral contract data* submitted in the *day-ahead market* pertaining to a particular location and a particular *buying market participant* for any *settlement hour* or combination of *settlement hours* within a single *trading day*, an indication that the quantity of *energy* that the *selling market participant* is selling to a designated *buying market participant* in each hour either is:

a. 100% of the *constrained schedule* for *energy* from *pass 3* of the *DAM calculation engine* at the *delivery point* or *intertie metering point* referred to in section 2.2.1; or

b. 100% of the *unconstrained schedule* for *energy* from *pass 5* of the *DAM calculation engine* where a *load component ID* pertaining to a *price sensitive load* is provided pursuant to section 2.2.1A; and

provided that either the *selling market participant* or the *buying market participant* is the *metered market participant* in respect of the *delivery point* associated with such location; or

2.3.1.2 [Intentionally left blank]

2.3.1.3 for *physical bilateral contract data* in the *day-ahead market* or *real time market* the quantity of *energy*, in MWh, that the *selling market participant* is selling to the *buying market participant* in each hour at the location designated in the *physical bilateral contract data* pursuant to sections 2.2.1 and 2.2.1A.

2.3.2 [Intentionally left blank]

2.3.2.1 [Intentionally left blank]

2.3.2.2 [Intentionally left blank]

2.3.3 A *selling market participant* shall ~~only~~ submit not more than a single set of *physical bilateral contract data* in the *real time market* or *day-ahead market* pertaining to a particular location and a particular *buying market participant*, for any given *settlement hour* within a single *trading day*. ~~such that t~~The most recent set of *physical bilateral contract data* submitted ~~is~~ shall be the prevailing set used by the *IMO* in the *settlement process*.

2.4 Submitting and Revising Physical Bilateral Contract Data

2.4.1 [Intentionally left blank]

2.4.1.1 [Intentionally left blank]

2.4.1.2 [Intentionally left blank]

2.4.1.3 [Intentionally left blank]

2.4.2 [Intentionally left blank]

2.4.3 [Intentionally left blank]

2.4.4 [Intentionally left blank]

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2.4.6 [Intentionally left blank]

2.4.7 [Intentionally left blank]

2.4.8 [Intentionally left blank]

2.4.9 [Intentionally left blank]

2.4.10 [Intentionally left blank]

2.4.10A [Intentionally left blank]

2.4.11 A *selling market participant* submitting initial or revised *physical bilateral contract data* relating to a specified *dispatch day* for *settlement purposes* must do so:

2.4.11.1 no earlier than seven calendar days prior to that *dispatch day*, using forms and procedures specified by the *IMO*;

2.4.11.2 on the same schedule and using the same *electronic information system* used for the submission of *dispatch data* for that *dispatch day* as described in section 3.2.1 of Chapter 7 for the *real-time market* or section 2.1.1 of Chapter 12 for the *day-ahead market* or, if the *electronic information system* is not available, by such other means as may be specified by the *IMO* ~~pursuant to section 3.2.2.3 of Chapter 7for the *real-time market* or section 2.2.2.3 of Chapter 12 for the *day ahead market*~~; and

2.4.11.3 within six *business days* after that *dispatch day* for the *real time market* or within two *business days* after that *dispatch day* for the *day-ahead market*, using forms and procedures specified by the *IMO*.

2.4.11A A *selling market participant* submitting *physical bilateral contract data* that will not change from *trading week* to *trading week*, may, in the same form but in place of its *physical bilateral contract data* described in sections 2.2 and 2.3, submit standing *physical bilateral contract data* which conforms to the same data submission requirements specified in section 2.4.11. Such standing *physical bilateral contract data* shall:

2.4.11A.1 define the *physical bilateral contract data* for each *dispatch hour* of each *dispatch day*;

2.4.11A.2 come into effect at the beginning of the second *dispatch day* after such *physical bilateral contract data* is submitted to the *IMO* by the *selling market participant*;

2.4.11A.3 remain in effect until the expiration date specified in the standing *physical bilateral contract data* unless earlier withdrawn or earlier revised by the *selling market participant*; and

2.4.11A.4 for the purposes of *settlement*, shall constitute the only *physical bilateral contract data* between the *selling market participant* and the *buying market participant* at the particular location specified so long as such standing *physical bilateral contract data* is in effect or until such standing *physical bilateral contract data* is superseded pursuant to section 2.4.11B.

2.4.11B Where a *selling market participant* submits *physical bilateral contract data* pursuant to section 2.4.11A pertaining to the same *buying market participant* at the same location specified in *physical bilateral contract data* previously submitted pursuant to section 2.4.11A, such *physical bilateral contract data* shall

supersede any previously submitted *physical bilateral contract data* pertaining to the same *buying market participant* at the same location.

2.4.12 Where the *IMO* issues a *default notice* to a *selling market participant* the provisions of section 6.3.3B.1 of Chapter 3 shall apply. Where the *IMO* issues a *suspension order* against a *selling market participant*, the provisions of section 6.9.3A.1 of Chapter 3 shall apply.

PART 5 – IMO BOARD COMMENTS

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