



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: Day-Ahead Market		
Title: Market Billing and Funds Administration		
Nature of request (please indicate with X): <input checked="" type="checkbox"/> Alteration <input type="checkbox"/> Deletion <input type="checkbox"/> Addition <input type="checkbox"/> Clarification		
Chapter: 9	Appendix:	Sections: 6.10
Sub-sections proposed for amending/clarifying : 6.10.1, 6.10.2.5 (new)		

¹ 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.

The IMO Board has directed that the IMO proceed with the detailed design and development of market rule amendments for the day-ahead market, consistent with the high-level design strawman¹. One area of market rule amendments needed is to incorporate the market billing and funds administration process in the day-ahead market. The following is a brief summary of the changes to the market billing and funds administration process as a result of the proposed introduction of the DAM. Contained within the DAM detailed design document for Market Billing and Funds Administration² there are additional details on the market billing and funds administration process.

The Market Rules in Chapter 9, section 6 currently provide the rights and obligations of the IMO and of market participants in the area of invoicing and effecting payment with respect to financial obligations arising from the IMO-administered markets. In the most general terms, the current provisions of the Market Rules reflect the appropriate scope of future rules needed for the DAM. The current rule provisions, as they relate to Market Billing and Funds Administration are as follows:

- set out the obligations of the IMO to provide timely and accurate settlement invoices, payments, and confirmation notices;
- determine the timelines as specified in the Settlement Schedule and Payments Calendar (SSPC) with regards to invoice receipt and payments;
- identify IMO responsibilities for communicating to market participants any delay in the issuance of invoices or payments;
- capture the treatment of payment default, payment errors, adjustments, and interest;
- define the nature the IMO's obligations to provide and operate a Settlement Control process; and
- identify the obligations for the IMO and market participants to establish and maintain settlement accounts.

All of these general obligation types are of relevance to the day-ahead market. While some of the existing market rules need to be changed or expanded in order to set out the specific needs of the DAM, the overall scope and nature of these rule provisions do not require change.

Within the current market rules, there are a number of existing sections that will support the expanded role of the Market Billing and Funds Administration process in the DAM without amendment. For those sections of the rules that been identified as requiring change, the bulk of the amendments contemplated have a single underlying theme of either consolidating the Real-Time Market and DAM on one invoice or removing references to invoices for the Energy Forward Market.

¹ The DAM high level design strawman is publicly available on the IMO website at the following location: http://www.theimo.com/imoweb/pubs/consult/mep/DAM_WG_Strawman-4_0.pdf

² http://www.theimo.com/imoweb/consult/mep_dam.asp

PART 3 – DESCRIPTION OF THE ISSUE

In addition to amending existing market rule provisions to support a day-ahead market, an additional rule provision will be required with respect to virtual transactions. This new market rule would ensure that any payments received during a billing period for virtual transactions would be included on the monthly invoice. Any further settlement amounts relating to virtual transactions for trading days past the end of the billing period would be included in the invoice for the following billing month. This will ensure those financial amounts appearing on the monthly invoice line up for the same trading days and allow the market to stay financially balanced. This amendment will have no impact on those market participants who transact solely in the real-time market.

Although the detailed design document for Market Billing and Funds Administration identifies the rule amendments necessary to facilitate the consolidation of the DAM and RTM on one invoice and removing EFM references into the day-ahead market many of them have already been addressed separately via MR-00270: Day Ahead Market – Settlements. However, there remain two market rule amendments, as proposed below, necessary to fulfill the market rules requirements for market billing and funds administration.

PART 4 – PROPOSAL (BY SUBMITTER)

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

It is proposed to modify section 6.10.1 of Chapter 9 to ensure that only settlement amounts from the second settlement process for the associated billing period will be included on the monthly invoice. This amendment is necessary to specify that invoices issued will be based on the applicable combination of preliminary and final settlement statements from the second settlement process.

It is also proposed to insert a new section 6.10.2.5 in Chapter 9 to ensure the inclusion of day-ahead market prepayments for virtual transactions on monthly invoices. This amendment is necessary to specify that where there has been a virtual transaction prepayment or margin call payment made within the billing period to which the invoice applies, this payment will be identified on the consolidated monthly invoice.

PART 5 – FOR IMO USE ONLY

Technical Panel Decision on Rule Amendment Submission	
MR number: MR-00271-Q00	
Date submitted to Technical Panel: October 20, 2004	
Accepted by Technical Panel as: <input type="checkbox"/> General <input type="checkbox"/> Urgent <input type="checkbox"/> Minor (please indicate with X)	Date: N/A
Criteria for acceptance: N/A	

PART 5 – FOR IMO USE ONLY

Priority: N/A
Criteria for assigning priority: N/A
Not accepted (please indicate with X):
Clarification/interpretation required (please indicate with X):
Technical Panel minutes reference: IMOTP-152-1
Technical Panel Comments: The Technical Panel agreed that the market rule amendments identified within MR-00271-Q00 would be incorporated within MR-00270: Day-Ahead Market Settlement.