



## Market Rule Amendment Written Submission

This form is used to provide comment on a *market rule* amendment under consideration by the *IESO*. Please complete all four sections of this form and submit the completed form by email or fax to the following:

Email Address: [Rule.Amendments@ieso.ca](mailto:Rule.Amendments@ieso.ca)  
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 *IESO* 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 *IESO* 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.

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(if applicable) *Market Participant /  
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*Market Participant Class*: \_\_\_\_\_

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### PART 2 – MARKET RULE AMENDMENT REFERENCE

**Type of Rule Amendment Being Commented on** (please indicate with x):

Amendment Submission     Proposed Rule Amendment     Recommended Rule Amendment

**MR Number:** MR-00306-R00, R01

This *Market Rule* number is located on the “Current Market Rule Amendment” web page.

**Date Relevant *Amendment Submission*, Proposed or Recommended Rule Amendment Posted for Comment:** February 15, 2006

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

**PART 3 – COMMENTS ON RULE AMENDMENT**

Provide your comments.

Manitoba Hydro is deeply concerned about the subject rule amendments for two reasons.

First, rather than actually developing the new rules now, the IESO is apparently leaving them to be developed later as "described in the market manuals". However, the IESO is providing stakeholders with a token consultation process now. How does the IESO expect stakeholders to provide informed comments when there is no substance to the rule submission? The material details the stakeholders need to comment on would be determined later by the IESO and placed in the market manuals without any consultation (there is no market manual consultation listed in the SE-10 stakeholder engagement plan). If the IESO can, at some time in the future, make up screens that can detect situations that require CMSC mitigation - why can't they do so now and put them in the rules rather than the market manuals. Putting such important details in the market rules is a bad precedent and further damages IESO credibility with its stakeholders. We strongly urge the IESO to, as a general rule, not to put important market rules/ rule amendments into the market manuals.

Second – we believe the IESO proposal to have one set of rules regarding CMSC payments for importers and exporters and a different set of rules (or manuals!) for generators within Ontario is very bad market design. There can be no level playing field for importers and exporters if they do not have the same rules as generation within Ontario. We believe the proposal is highly discriminatory, and is likely illegal under the North American Free Trade Agreement with regard to US based generation. Given the lack of detail, we can not be sure if the IESO is really trying to target bad actors, or to simply effectively eliminate or claw back all CMSC payments for importers and exporters. The IESO needs to understand that if insufficient transmission exists from one region, denying CMSC payments to one class of potential suppliers (importers and exporters) in that region will not reduce the level of those CMSC payments, but rather simply redirect the same level of payments to another class of suppliers (in-province generators).

**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:

- 1) The concept of putting key market rule provisions in to the market manuals brings up the whole issue of what should be in the market rules versus the market manuals and required further debate as this sets a broad precedent for all future market rule amendments.
- 2) The IESO proposal to have one set of rules regarding CMSC payments for importers and exporters and a different set of rules for generators within Ontario is bad market design that will not result in a net reduction of CMSC payments – but rather a redirection of the CMSC payments from importers, exporters and in-province generators to the same level of payments that only go to in-

**PART 4 – EXTERNAL CONSULTATION MEETING**

province generators. Hence the proposal is highly discriminatory, and is likely illegal under the North American Free Trade Agreement with regard to US based generation. The IESO needs to demonstrate and/or provide legal opinions at stakeholdering workshops that their proposal can withstand the inevitable NAFTA challenges. The IESO also needs a stakeholdering process to allow it time to understand that if insufficient transmission exists from one region, denying CMSC payments to one class of potential suppliers (importers and exporters) in that region will not reduce the level of those CMSC payments, but rather simply redirect the same level of payments to another class of suppliers (in-province generators).

