



## 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.	
Name: <u>Hydro One Networks Inc.</u>	
(if applicable) <i>Market Participant / Metering Service Provider</i> No. <sup>1</sup> : <u>102007</u>	<i>Market Participant Class:</i> <u>Transmitter / Distributor</u>
Telephone: <u>416 345 5444</u>	Fax: <u>416 345 6822</u>
E-mail Address: <u>Mike.Penstone@HydroOne.com</u>	

### PART 2 – MARKET RULE AMENDMENT REFERENCE

<b>Type of Rule Amendment Being Commented on</b> (please indicate with x):	
<input type="checkbox"/> Amendment Submission	<input checked="" type="checkbox"/> Proposed Rule Amendment
<input type="checkbox"/> Recommended Rule Amendment	
<b>MR Number:</b> <u>MR-00307-R00</u>	
This <i>Market Rule</i> number is located on the “Current Market Rule Amendment” web page.	
<b>Date Relevant Amendment Submission, Proposed or Recommended Rule Amendment Posted for Comment:</b> <u>December 23, 2005</u>	

<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.

Hydro One is pleased to note that the proposal for the rule amendment (MR-00307-Q00) is seeking to align the Market Rules with the amended Electricity Act, 1998 (the “Act”) as per Electricity Restructuring Act, 2004 (Bill 100) which was passed by the Ontario Legislature in December 2004.

The amendments to the Act require many sections of the Market Rules to be revised. Since these revisions are critical for Ontario electricity industry, the comprehensive proposals to change, delete, and add rules should be reviewed thoroughly by all stakeholders to ensure that they are workable and consistent with the Act and the industry structure in Ontario. In this respect, Hydro One is concerned about the following proposed wording for the new Section 7.11.2 in Chapter 5:

Currently Proposed Wording:

“7.11.2 If the IESO does not believe that market participants have or will, voluntarily, put forward reasonable commitments for technically feasible options to alleviate the condition identified in Section 7.11.1, the IESO may direct the transmitter(s) in the relevant location(s) to promptly prepare a detailed proposal for the enhancement of the IESO-controlled grid. The transmitter(s) shall submit the proposal to the OEB, the OPA, and other governmental agencies having authority to approve the proposal, in the form of an application for approval of the enhancement. The IESO shall notify the OEB and OPA of its identification of the adverse condition.”

Hydro One proposes following revisions to the proposed amendment in Section 7.11.2

“7.11.2 If the IESO does not believe that market participants have or will, voluntarily, put forward reasonable commitments for technically feasible options to alleviate the condition identified in Section 7.11.1, the IESO **shall notify the OPA and the OEB of its determination with a recommendation that** ~~direct~~ the transmitter(s) in the relevant location(s) **be directed by the OEB to** ~~promptly~~ prepare a ~~detailed~~ proposal **to expand or reinforce** ~~for the enhancement of~~ the IESO-controlled grid. The transmitter(s) shall submit the proposal to the ~~OEB, the OPA, and other~~ governmental agencies having authority to approve the proposal, **if and as required by appropriate Regulations and Statutes of the province of Ontario.** ~~In the form of an application for approval of the enhancement. The IESO shall notify the OEB and OPA of its identification of the adverse condition.”~~

The proposed Section 7.11.2, reworded as indicated above, is consistent with:

- the Electricity Act, the OEB Act, and the transmitter’s licence condition whereby the OEB may order the Licensee (transmitter) to expand or reinforce its transmission system.
- other regulations and statutes pertaining to the approval processes for transmitter’s proposals, if and when (appropriate) approvals are required from various government agencies such as the OEB, Ministry of Environment, etc.
- the process that was successfully followed for the review and proposal for the York Region Reinforcement to supply load in this region. (At the conclusion of OPA’s review of the need for reinforcement of supply in the region, the OEB directed Hydro One to commence activities to bring forward a proposal to build Holland TS, and such activities are indeed currently underway.

Finally, the initial OEB directive to the transmitter to prepare a plan will streamline subsequent government approvals as the need for the investments would have been established.

**PART 3 – COMMENTS ON RULE AMENDMENT**


**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:

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