



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@ieso.ca

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 *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* 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: <u>IESO Staff</u>	
(if applicable) <i>Market Participant / Metering Service Provider</i> No. ¹ : _____	<i>Market Participant Class</i> : <u>N/A</u>
Telephone: <u>905-855-6464</u>	Fax: _____
E-mail Address: <u>rule.amendment@ieso.ca</u>	

PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: <u>Day-Ahead Commitment Process</u>
Title: <u>IESO Authorities and Obligations to Cancel the DACP in the event of a software or process failure.</u>
Nature of Request (please indicate with x)
<input type="checkbox"/> Alteration <input type="checkbox"/> Deletion <input checked="" type="checkbox"/> Addition <input type="checkbox"/> Clarification
Chapter: <u>7</u> Appendix: _____ Sections: <u>1.7</u>
Sub-sections proposed for amending/clarifying: <u>1.7.4 and 1.7.5</u>

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 *IESO-administered markets*. Include the Chapter and Section number of the relevant *market rules*.

Recent amendments to the Market Rules allow for the implementation of the pre-dispatch scheduling and commitment component of the Day-Ahead Commitment Process (DACP). The rule amendments associated with the DACP do not specifically address IESO obligations, permissions, and authorities in the event that a software or process failure occurs during the DACP.

The primary objectives of the DACP are to provide greater assurance that sufficient resources are committed day-ahead to meet forecast reliability needs in real-time. Day-ahead resource commitments will be based on the results of the pre-dispatch of record, which will be published by 15:00 each day. A measure of market discipline is maintained by allowing for four pre-dispatch sequences prior to the publication of the pre-dispatch of record. In the event of a significant process or software failure, it is possible, although unlikely, that one or more of these pre-dispatch solutions will not be completed. As a result, day-ahead commitment decisions could be based on invalid information. To prevent this type of situation from occurring, the DACP Operations Working Group has proposed that the DACP for a given day would be cancelled if two or more of these pre-dispatch solutions failed.

Existing market rules allow the IESO to suspend market operations due to software failures. However, these provisions in the rules are generally intended to address significant failures within the market. This amendment proposes to approach DACP process failures in a manner consistent with other circumstances that result in temporary or minor failures of market features (eg. Transmission Rights Auction failure, Chapter 8, 4.1.6.3; Administrative Pricing, Chapter 7, 8.4A).

PART 4 – PROPOSAL (BY SUBMITTER)

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

The market rules in Chapter 7 “System Operations and Physical Markets” should be amended as follows:

- To authorize and obligate the IESO to cancel the DACP for the dispatch day if two or more day-ahead commitment process pre-dispatch sequences fail, or if a significant software or process failure occurs.
- To oblige the IESO to inform Market Participants in the event that the DACP is cancelled or suspended. The IESO would be obliged to provide the reason(s) for the cancellation, as well as the expected time for the DACP to resume.

PART 5 – FOR IESO USE ONLY

Technical Panel Decision on Rule Amendment Submission: Warrants Consideration
 MR Number: MR-00314
 Date Submitted to *Technical Panel*: 1 March 06

PART 5 – FOR IESO USE ONLY

Accepted by *Technical Panel* as: (please indicate with x)

Date:

General Urgent Minor

7 March 06

Criteria for Acceptance:

It identifies means to better enable the market to satisfy the market design principles. In the event of a significant process or software failure, day-ahead commitments, and resulting potential guarantee payments could be made based on incomplete, or incorrect information.

It identifies ways to reduce market participant costs. Market participants should not bear the cost of Day-ahead commitment guarantees made on the basis of incomplete or incorrect information.

Priority: High

Criteria for Assigning Priority:

Technical Feasibility: The proposed changes can be implemented using existing IESO and market participant processes. This would mean that the changes proposed under this amendment would be in place by May 31, 2006, when day-ahead commitment process is to be in-service.

Pervasiveness: Many market participants will be affected by the implementation of the DACP and by the potential for guarantees and payments based on incomplete and incorrect information.

Not Accepted (please indicate with x):

Clarification/Interpretation Required (please indicate with x):

Technical Panel Minutes Reference: IESOTP 181-1

Technical Panel Comments: _____