



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.amendments@ieso.ca</u>	

PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: <u>Day-Ahead Commitment Process</u>	
Title: <u>Minimum Generation Block Run-Time</u>	
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: <u>7, 11</u>	Appendix: _____ Sections: <u>various</u>
Sub-sections proposed for amending/clarifying: <u>various</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). Following a review of DACP procedures, the IESO has determined that some DACP processes were developed using an incorrect definition of generation facility minimum run time. This resulted from an error in late 2004, when the IESO did not update the published market rule documents to include an approved amendment, MR-00260. This approved amendment changed the definition of minimum run-time in order to facilitate the real-time spare generation on-line settlement processes.

The DACP market rules obligate the IESO to constrain a generation facility to its minimum loading point for its minimum run-time if the generator chooses to accept the day-ahead generation cost guarantee. The correct definition of minimum run-time is “the time period specified by the market participant, for which a generation facility, having synchronized to the IESO-controlled grid must run in accordance with the technical requirements of the facility”. DACP processes were developed using an outdated definition of minimum run-time. This earlier version defined minimum run-time as “the time period specified by the market participant, for which a generation facility having reached its minimum loading point must run in accordance with the technical requirements of the facility”.

By applying a constraint to the generation facility to operate at its minimum loading point beginning at the time of synchronization, the time required for the generation facility to achieve the minimum loading point is ignored. The time to ramp from synchronization to minimum loading point can be significant (e.g. one to two hours). As a result, a generation facility would receive dispatch instructions (i.e. operate at minimum loading point) which are impossible to comply with during the facility’s ramp-up. In addition, all pre-dispatch schedules following the application of such constraints will be determined on the generation facility immediately moving to its minimum loading point upon synchronization. The resulting day-ahead schedule for the generation facility would over-state the energy production from the facility and would potentially prevent other required generation facilities or imports from being scheduled and committed in the DACP.

The primary objective of the DACP is to provide greater assurance that sufficient resources are committed day-ahead to meet forecast reliability needs in real-time. By applying constraints that are not achievable and that over-state the capabilities of generation facilities, the IESO could possibly under-commit other resources. This result would be contrary to the primary objective of the day-ahead commitment process.

The IESO is in the process of correcting the published market rules document to include the correct definition of minimum run-time.

PART 4 – PROPOSAL (BY SUBMITTER)

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

PART 4 – PROPOSAL (BY SUBMITTER)

The Market Rules should be amended as follows:

In Chapter 11, a definition for Minimum Generation Block Run-Time should be added. This time period refers to the minimum time specified by a market participant, for which a generation facility having reached its minimum loading point must run in accordance with the technical requirements of the facility.

In Chapter 7, the registration data required by dispatchable generators should be amended to include the minimum generation block run-time (Chapter 2, 2.2.6B). Chapter 2, 2.2C.1.4 should be amended to include the provision of this minimum generation block run-time as one of the criteria for eligibility for the day-ahead generation cost guarantee.

In Chapter 7, section 5.8, references to minimum run-time should be replaced with minimum generation block run-time. This section should be amended to obligate the IESO to apply constraints to generator facilities accepting the day-ahead generation cost guarantee, commencing on the first hour of the pre-dispatch day in which that facility is expected to achieve its minimum loading point.

These changes would result in the IESO applying achievable constraints to a generation facility electing to receive the day-ahead generation cost guarantee.

PART 5 – FOR IESO USE ONLY

Technical Panel Decision on Rule Amendment Submission: Warrants Consideration

MR Number: MR-00316

Date Submitted to *Technical Panel*: 11 April 2006

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

Date:

General Urgent Minor

11 April 2006

Criteria for Acceptance: It identifies an error or inconsistency within the market rules, which could have a negative impact on reliability. The DACP market rules were developed using an incorrect definition of minimum run-time. As a result of this incorrect definition, day-ahead schedules for generation facilities may not reflect the capabilities of the facilities. This could lead to the IESO failing to commit sufficient resources to meet the reliability requirements of the DACP.

Priority: High

PART 5 – FOR IESO USE ONLY

Criteria for Assigning Priority: A high priority is judged appropriate given the following considerations:

1. Technical Feasibility: The day-ahead commitment process is to be in-service by June 1, 2006. The proposed amendments can be implemented using existing processes.
2. Pervasiveness: Day-ahead commitments to generator facilities will affect a large number of market participants.

Not Accepted (please indicate with x):

Clarification/Interpretation Required (please indicate with x):

Technical Panel Minutes Reference: IESOTP 182-3

Technical Panel Comments: _____