



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 : <u>N/A</u>	<i>Market Participant Class</i> : <u>N/A</u>
Telephone: <u>905-855-6464</u>	Fax: <u>905-855-4149</u>
E-mail Address: <u>Rule.Amendments@ieso.ca</u>	

PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: <u>Day-Ahead Commitment Process (DACP)</u>	
Title: <u>Temporary Extension to Notice of Disagreement (NoD) Window</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>9</u>	Appendix: _____ Sections: <u>6</u>
Sub-sections proposed for amending/clarifying: <u>6.3.10</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*.

Stakeholders on the Day-Ahead Commitment Process (DACP) Trials Working Group identified an issue with the length of the Notice of Disagreement (NoD) window. Under the current market rules (chapter 9 section 6.3.10), market participants have four business days after the IESO issues a preliminary settlement statement to notify the IESO of errors or omissions found in the statement by means of a Notice of Disagreement.

The DACP Trials Working Group has two concerns:

- some market system DACP settlement tools may not be fully tested by market participants in time for the May 31 DACP implementation; and
- the implementation of DACP will introduce new charge types into the settlements process and alter the calculation of some existing charge types.

The stakeholders identified that a longer NoD window is needed to aid in the transition to the new DACP settlement processes and new/revised charge types appearing on the market participants' settlement statements. The market has, in the past, accommodated a temporary longer NoD window to facilitate participant review of settlement statements. For the opening of the electricity market in 2002, the NoD window was set at five days for a number of months before being shortened to the current four day window.

A temporary extension of the time period to file a NoD is appropriate for two reasons:

1. over time participants and the IESO should gain sufficient experience and confidence in the DACP settlement systems and processes such that a return to the four day NoD window is appropriate; and
2. DACP is a temporary program and should not permanently affect other elements of the market.

PART 4 – PROPOSAL (BY SUBMITTER)

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

In order to ease the transition to the DACP, it is proposed to amend the market rules (ch 9 sec 6.3) as follows:

- temporarily extend the Notice of Disagreement window from four business days to five business days; and
- implement the extension for a length of two billing periods following the first use of DACP as described in section 1.7.3 of chapter 7.

A length of two billing periods is proposed for the extension of the NoD window to allow the IESO and market participants to work through two billing period cycles of DACP settlement processes and data. This is judged to be sufficient time to identify and correct any issues or problems.

PART 4 – PROPOSAL (BY SUBMITTER)

This rule amendment needs to come in effect by the start of the DACP – May 31, 2006.

PART 5 – FOR IESO USE ONLY

Technical Panel Decision on Rule Amendment Submission: Warrants Consideration

MR Number: MR-00318

Date Submitted to *Technical Panel*: April 7, 2006

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

Date:

General Urgent Minor

April 11, 2006

Criteria for Acceptance: It identifies means to better enable the market to satisfy market design principles of fairness and transparency. By temporarily extending the NoD window to five days, market participants will have more time to review their settlement statements following the implementation of DACP. The amendment will also allow market participants more time to access and review market and system information in order to participate fairly and knowledgeably in the market process.

The expected or perceived benefits of the amendment exceed the expected or perceived costs of implementation. There is little cost associated with implementing a temporary extension of the NoD window to 5 days but the amendment provides great perceived stakeholder benefits as expressed through the DACP Trials Working Group with respect to the integrity of the DACP settlements.

Priority: High

Criteria for Assigning Priority: Pervasiveness: All market participants will be affected by the implementation of the DACP related settlements and the proposal increases the assurance that DACP payments and collections will be correct. This change would need to be in effect for the first time DACP is used.

Practical consequences: The issues were brought forward by the Stakeholder group and consequently, the proposed changes are highly likely to be acceptable generally.

Not Accepted (please indicate with x):

Clarification/Interpretation Required (please indicate with x):

Technical Panel Minutes Reference: IESOTP 183-1

Technical Panel Comments: _____