



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
 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: Robert Cary & Associates Inc on behalf of Brookfield Renewable Energy, Capital Power, Enbridge, Erie Shores Wind Farm, Kruger Energy, Suncor Energy, and TransAlta, collectively referred to herein as the “RES group” _____

(if applicable) *Market Participant / Metering Service Provider* No.¹: _____ *Market Participant Class:* RES group members are all generators _____

Telephone: 905 687 8744 _____ Fax: _____

E-mail Address: rcary@niagara.com _____

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: 362 _____

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

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

PART 1 – SUBMITTER’S INFORMATION

Date Relevant Amendment Submission, Proposed or Recommended Rule Amendment Posted for Comment: _____

PART 3 – COMMENTS ON RULE AMENDMENT

Provide your comments.

MR-262-R00Chapter 11, Definition of variable generation

Please delete both instances of “and other variable resources as specified by the IESO” from the definition. There is no known plan to include other categories of variable resources, and we can see no reason why any expansion to other categories should be excused from the scrutiny and due diligence associated with the market rule amendment process.

MR-362-R01Chapters 1 & 11

Ch1, Sections 4.2.1.9 & 4.3.2; we are concerned to see that the IESO seeks to expand its contractual relationships to include all distribution-connected generators, including presumably micro-FIT generators. We have concerns about the construct that parties are deemed by virtue of generating while connected to the distribution system to have a contractual relationship with the IESO. A contract is created by offer and acceptance as in the case of a Participation Agreement that binds a market participant and the IESO to the Market Rules. The IESO does not have the statutory power to establish rules of general application affecting the rights of non-IESO market participant generators and to establish by way of a rule a contract. The IESO might want to consider as an alternative the requirement that distribution-connected variable generators over 5 MW be required to undertake a form of agreement with the IESO which would explicitly establish a contractual relationship and which would allow the IESO to know with whom it had contractual relationships.

The IESO also needs to consider the rights and liabilities of contractual counterparties (however the relationship is created) who are not classified as market participants. Would such people have the same rights as market participants to invoke dispute resolution proceedings, to receive “all market participant notices” from the IESO, to confidentiality of their information, etc? To what penalties could they be subject for non-compliance? These provisions would need to be clear and in place as part of any market rules which provide for people to be contractually bound as counterparties to the IESO other than as Market Participants.

Given the potential complexities of creating contractual relationships between the IESO and those other than market participants, we wonder if the monitoring of distribution connected variable generation would not better be covered under the distribution system code. Any distributors’ obligations and roles in the relay of information could be more clearly addressed in that context. What consideration has the IESO given to such a framework, and what are

PART 3 – COMMENTS ON RULE AMENDMENT

the reasons for seeking to use a rules-based approach?

All subsequent comments relate to the IESO's rules based proposal on the assumption that the issue of contractual relationships can first be resolved to the satisfaction of all parties. Subsequent comments are not intended as endorsement of the rules based proposal in preference to an approach based in the distribution system code.

Chapter 11, Definition of variable generation; please delete both instances of "and other variable resources as specified by the IESO" from the definition. There is no known plan to include other categories of variable resources, and we can see no reason why any expansion to other categories should be excused from the scrutiny and due diligence associated with the market rule amendment process.

Chapters 4 & 7, obligations for provision of static and dynamic data

Ch 4, Section 7.1.6; We recommend that this be replaced by an extension of the provisions of sections 7.1.4 and 7.1.5 to encompass variable generation over 5 MW, and that the static information requirements for variable generators be included as additional parts of Appendix 4.5A (for transmission-connected) and Appendix 4.6 (for distribution connected). This keeps all static requirements on generators together in one place and subjects them to the same level of change control and scrutiny. We do not see it as necessary or beneficial to use market manuals for this purpose.

Ch 4, Section 7.1.7; we see no need for this. It surely duplicates obligations in chapter 7 but in different language. Please delete.

Ch 4, section 7.3.2A; Wording should be added to replace proposed section 7.1.6 in respect of monitoring / dynamic data. The monitoring information (dynamic data) obligations for variable generation should be added to Appendix 4.15, and not separately positioned in a market manual. This keeps all dynamic requirements on generators together in one place and subjects them to the same level of change control and scrutiny. We do not see it as necessary or beneficial to use market manuals for this purpose.

Ch 7, Section 3.4.1.4; no comment.

Chapter 4, communications requirements

Section 7.3.2A; see comments above.

Section 7.7.2; amendment not needed if above recommendations are accepted to keep requirements in Market Rule Appendices.

Appendix 4.19; this should be reviewed to check whether the increased reliance expected to be placed on LDC relay of information is adequately addressed.

Appendices

All to be incorporated into Market Rule Appendices as noted above

How can dynamic data be provided at time of connection assessment?

Please confirm that wind dynamic data (except MW and available MW) is to be provided per

PART 3 – COMMENTS ON RULE AMENDMENT

met tower.

Implementation and effective dates

These rule amendments will impose new obligations on existing facilities. Facility owners will require time to design, procure, lease land for, secure permits for, construct and commission the new or modified equipment that will be required. Unless the IESO plans to address all such delays in ability to comply as individual exemptions, the market rules must very clearly state that market participants' obligations in respect of new requirements are subject to any applicable permitting and EA requirements and are limited to commercially reasonable efforts to meet the technical standards etc. It would not be appropriate for the IESO merely to condone or accept non-compliance with more rigorous obligations.

General comment

We recommend that the IESO give careful consideration to the communication and information needs of distribution-connected variable generation owners who now become subject to material obligations under the market rules, and to the collation and presentation to them of the subset of market rule obligations to which they will become subject.

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:

The issues addressed here are sufficiently fundamental that the rule amendment needs to be re-drafted and re-circulated for comment. Following such re-circulation for a second round of comments we will be better able to discern whether a special meeting is necessary.