



## Market Rule Amendment Proposal Form

### Part 1 Market Rule Information

Identification No.:	MR-00461-R00
Subject:	Market Renewal Program: Batch 1 – Market Entry and Prudential Market Rule Definitions
Title:	Batch 1 – Market Entry and Prudential Market Rule Definitions
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration <input checked="" type="checkbox"/> Deletion <input checked="" type="checkbox"/> Addition
Chapter:	11
Appendix:	
Sections:	
Sub-sections proposed for amending:	

### Part 2 Proposal History

Version	Reason for Issuing	Version Date
1.0	Draft for Stakeholder Review	October 13, 2020

Approved Amendment Publication Date:	
Approved Amendment Effective Date:	

## Part 3 Explanation for Proposed Amendment

Provide a brief description of the following:

- The reason for the proposed amendment and the impact on the *IESO-administered markets* if the amendment is not made.
- Alternative solutions considered.
- The proposed amendment, how the amendment addresses the above reason and impact of the proposed amendment on the *IESO-administered markets*.

## Part 4 Proposed Amendment

### 1. Definitions

*actual exposure* means, ~~in respect of a given market participant,~~ the estimated net amount payable by or owing to a market participant amount calculated at any given time, calculated by the *IESO* for ~~that market participant~~ pursuant to sections 5.5, 5C.3, or 5D.2 of Chapter 2;

*bid* means a statement of the quantities of a commodity that a buyer will purchase at different *market price* levels for that commodity in the day-ahead market, the real-time market or the *procurement market*;

*boundary entity* means the set of boundary entity resources associated with an intertie zone~~an entity designated and maintained by the IESO for the purpose of energy trading, and which represents the capacity of one or more resources, including but not limited to generation facilities or load facilities, located at a point or points external to the IESO control area which a market participant is entitled to inject into or withdraw from the IESO-controlled grid and which shall be deemed to be located in an intertie zone in accordance with section 2.2.7.2 of Chapter 7;~~

boundary entity resource means a construct existing within the *IESO's* systems that facilitates intertie flow between the IESO-controlled grid and an intertie zone;

*daily cascading hydroelectric dependency* means there is a minimum hydraulic *time lag* of less than 24 hours from a hydroelectric *generation facility* to one or more adjacent upstream and/or downstream hydroelectric *generation facilities* operated by the same *registered market participant*;

day-ahead market or DAM means a daily, *IESO-administered market* that creates financially binding obligations for a *dispatch day* on the day prior to the *dispatch day*;

day-ahead schedule means the hourly schedule for the 24-hour period of a next *dispatch day* as determined by the *dispatch algorithm* during the *day-ahead market*;

*default protection amount* means, ~~in respect of a given market participant,~~ a component of the maximum net exposure that represents the dollar estimate of the additional debt that a market

participant could accumulate in the real-time market or day-ahead market between the time that a market participant commits an event of default and the time a market participant could be removed from the real-time market or day-ahead market, amount determined from time to time by the IESO for ~~that~~ market participant in accordance with section 5.3.8 or 5C.1.7 of Chapter 2;

*dispatch* means the process by which the IESO directs the real-time operation of a resource registered facilities to cause a specified amount of electric energy or ancillary service to be provided to or taken off the electricity system;

dispatchable means being subject to dispatch.

*dispatch data* means the offers, bids, self-schedules ~~and estimates~~ or forecasts of intermittent generation required to be submitted to the IESO in accordance with Chapter 7 and/or Chapter 7A and used by the IESO to determine day-ahead market schedules, physical operations and physical market prices;

*dispatch instructions* means in respect of a ~~resource registered facility~~ other than a boundary entity resource, a physical operating instruction issued by the IESO either in the real-time dispatch process or in those dispatch intervals when administrative prices were applied pursuant to section 8.4A of Chapter 7 or the IESO-administered markets are suspended pursuant to section 13 of Chapter 7, and, in respect of a ~~registered facility that is a boundary entity~~ resource, the interchange schedule pertaining to ~~it that registered facility~~;

*dispatchable load* means a load ~~resource facility~~ which is subject to dispatch by the IESO and whose level is selected or set based on the price of energy in the real-time market, and excludes hourly demand response resources;

energy trader means a market participant authorized by the IESO to participate in the energy market to provide physical services by importing, exporting, or wheeling energy or operating reserve.

~~financial market participant means a person that participates only in the TR market;~~

*forbidden region* means a predefined operating range within which a hydroelectric ~~generation facility~~ resource cannot maintain steady operation without causing equipment damage. A hydroelectric ~~generation facility~~ resource may have more than one forbidden region;

*generation facility* means a facility for generating electricity or providing ancillary services, other than ancillary services provided by a transmitter or distributor through the operation of a transmission or distribution system, and may be composed of one or more generation units ~~includes~~ including any structures, equipment or other things used for that purpose;

generation resource means a resource modelled to represent one or more generation units.

*generation unit* means the principal equipment at a generation facility used to ~~that actually~~ generates electricity, together with all internally related equipment essential to its functioning as a single ~~entity~~ unit distinguishable from other generation units;

hourly must run means the maximum MW quantity below which a dispatchable hydroelectric generation resource is incapable of responding to dispatch instructions due to specific must run conditions;

load means one or more pieces of equipment that consume energy from the integrated power system;

load resource means a resource modelled to represent one or more loads;

margin call means a notice given by the IESO to a market participant pursuant to sections 5.4.2, 5C.2.2, or 5D.3.2 of Chapter 2 indicating that when the actual exposure of that market participant equals or exceeds its trading limit;

maximum daily trading limit means the maximum quantity a virtual trader may bid or offer in a given trading day, and is the absolute value in MWh submitted by a virtual trader in accordance with section 5C.1 of Chapter 2, used by the IESO to calculate a virtual trader's minimum trading limit, default protection amount, and the bid/offer quantity limit for dispatch data submissions in accordance with section 2.6.7.5 of Chapter 7A.

maximum net exposure means, ~~in respect of a given market participant, a component of the prudential support obligation that reflects the IESO's estimate of the net amount a market participant will owe to the IESO,~~ the amount calculated from time to time by the IESO for ~~that~~ market participant in accordance with sections 5.3 or 5C.1 of Chapter 2;

minimum generation block run-time means the number of hours, ~~specified by the market participant,~~ that a generation facility resource must be operating at minimum loading point; in accordance with the technical requirements of the associated facility;

minimum loading point means the minimum output of energy ~~specified by the market participant~~ that can be produced by a generation facility resource under stable conditions without ignition support, in accordance with the technical requirements of the associated facility;

minimum run-time means the number of hours required for the generation facility resource to ramp from a cold start to minimum loading point plus minimum generation block run-time, ~~specified by the market participant,~~ in accordance with the technical requirements of the associated facility;

minimum trading limit means, ~~in respect of a given market participant,~~ the dollar amount determined from time to time by the IESO ~~for that market participant~~ in accordance with section 5.3.4 or 5C.1.5 of Chapter 2, that represents the lowest possible trading limit that may be calculated by the IESO for a market participant as permitted by the market rules;

non-dispatchable load means a load resource, within the IESO control area, that is not subject to dispatch by the IESO and whose level is not selected or set based on the price of energy in the real-time market;

period of steady operation means a predefined number of intervals (0, 1, or 2) for which a non quick-start generation resource facility must maintain steady operation before changing direction

of its *energy* output (either increasing or decreasing). Such a *resource facility* is considered to be in steady operation if the magnitude of change between *dispatch instructions* for the last two intervals is less than 0.1 multiplied by its ramp rate capability between the two intervals;

*physical transaction* means (i) a transaction in the *IESO-administered markets* that creates a financial obligation in the *day-ahead market* and a balancing obligation in the *real-time market* with a capability to fulfill the balancing obligation by delivery or consumption of *physical services* in the *real-time market*; or (ii) a transaction in the *IESO-administered markets* based on delivery or consumption of *physical services* in the *real-time market*;

*pre-dispatch schedule* means an hourly schedule for the remaining hours of a *dispatch day* and may include all hours of the next *dispatch day* as determined by the *dispatch algorithm*;

*price responsive load* means a *load resource* for which the *registered market participant* submits *bids* for *energy* into the *day-ahead market* but for which the *load resource* is a *non-dispatchable load* in the *real-time market*;

*prudential support* means the obligations owed to the *IESO* by a third party and other forms of collateral security or support posted with the *IESO* to secure for the financial obligations of a *market participant*, in the forms set forth in sections 5.7 or 5C.5 of Chapter 2;

*pseudo-unit* means a *resource associated with* a combined cycle *generation facility* that is modeled based on a gas-to-steam relationship between generation units, and which is comprised of one combustion turbine generation unit and a share of one steam turbine generation unit at the same combined cycle *generation facility*;

~~*registered facility* means, in respect of a facility, a facility which is capable of supplying or withdrawing physical services, and which is registered with the IESO and means, in respect of a boundary entity, a boundary entity which is comprised of resources capable of supplying or withdrawing physical services, and is registered with the IESO;~~

*registered market participant* means a *market participant* that is registered with the *IESO* to submit *dispatch data* with respect to a *resource registered facility*;

*reliability must-run contract* means a contract between the *IESO* and a *registered market participant* or prospective *registered market participant* for a *registered facility resource* that is or will be a *generation facility resource*, a *dispatchable load facility resource* or a *boundary entity resource*, which allows the *IESO* to call on that *registered market participant's* or prospective *registered market participant's registered facility resource* in order to maintain reliability of the *IESO-controlled grid*;

*resource* means an *IESO-modelled* representation of one or more *generation units* or *loads*, existing within the *IESO's* systems, which is used for the *secure* operations of the *IESO control area*, or to participate in the *IESO-administrated markets*; or a *boundary entity resource*.

*self-assessed trading limit* means, in respect of a given *market participant*, the dollar amount submitted to the *IESO* determined by ~~at~~ the *market participant* in accordance with section 5.3.2 of Chapter 2, for the purposes of calculating its *trading limit*;

shared daily energy limit means a registration parameter that indicates whether multiple generation units for one or multiple dispatchable hydroelectric generation resources registered by the same market participant draw water from the same forebay;

start indication value means the minimum quantity of energy in MW that a resource must be scheduled to determine whether the generation units associated with the resource have used one or more of the submitted maximum number of starts per day:-

time lag means an amount of time less than 24 hours that it takes for the water discharged from an upstream hydroelectric generation facility to reach a downstream hydroelectric generation facility with the same registered market participant, and that is on the same cascade river system;

trading limit means, ~~in respect of a given market participant,~~ the dollar amount representing the maximum amount of actual exposure that a market participant may accumulate before being issued a margin call from the IESO, ~~determined from time to time by the IESO for that market participant~~ in accordance with sections 5.3.5, ~~or~~ 5.3.6, 5C.1.5, or 5D.2.2 of Chapter 2;

virtual transaction means a transaction in the IESO-administered markets that creates a financial obligation to settle against the difference between the day-ahead market energy price and the real-time market energy price;

virtual trader means a market participant authorized to conduct virtual transactions.

wholesale consumer means a person associated with a load resource who purchases electricity energy or ancillary services in the IESO-administered markets or directly from another person, or who provides ancillary services in the IESO-administered markets or directly to the IESO;

wholesale seller means an energy trader or a person who sells electricity or ancillary services through the IESO-administered markets or directly to another person;