Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00398-R00
Subject:	Settlements
Title:	Correction to Limiting Payments to Exports during Negative Prices

Nature of Proposal:	☒ Alteration	☐ Deletion	☐ Addition

Chapter:	9		Appendix:	
Sections:	3.3.2			
Sub-sections proposed for amending:		3.3.2.1A		

PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Submit for IESO Board approval	September 25, 2012
2.0	Approved by the IESO Board	September 27, 2012

Approved Amendment Publication Date:	September 27, 2012
Approved Amendment Effective Date:	Immediately following MR 00393 R0

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*.

Summary

This amendment addresses a typographical error in <u>MR-00393-R00: Limiting Payments to Exports during Negative Prices</u> in which subsection 3.3.2.1A conflicted itself. It is required to amend Section 3.3.2.1A to ensure that the wording of the market rules is consistent within the provision and effectively reflects the intended outcome of MR-00393 which is scheduled to come into effect on October 1, 2012.

Background

The IESO Board approved <u>MR 00393-R00: Limiting Payments to Exports during Negative Prices</u> on September 7, 2012. The rule is currently in the 21 day review period with the Ontario Energy Board, which will expire on September 28, 2012.

Discussion

A typographical error exists in the Section 3.3.2.1A. The intent of this section is to allow the settlement floor to be applied to exports where the intertie in not import congested. The current draft is correct in stating 'greater than' within the formula however states 'less than' in the main bullet which creates a rule that conflicts on itself. The rule should state 'not less than' in both cases.

The effective date of this rule is required to be immediately following the effective date of MR00393.

3.3 Hourly Settlement Amounts in the Real-Time Energy Market

3.3.1 The hourly net *energy market settlement* credit for *market participant* 'k' in *settlement hour* 'h' ("NEMSC$_{k,h}$") shall be determined by the appropriate equations set forth in section 3.3.2 and where applicable, in accordance with section 2.1.2 of Chapter 8.

3.3.2 For *market participant* 'k', NEMSC$_{k,h}$ shall be the sum, over all *metering intervals* 't' in *settlement hour* 'h' and all RWMs and *intertie metering points*, of the *settlement amounts* determined for each *metering interval* and RWMs or *intertie metering point*, as follows:

    3.3.2.1 in respect of a *dispatchable facility* or an *intertie metering point* associated with:

- an injecting *boundary entity;*

- a withdrawing *boundary entity* where the associated *intertie congestion price* is less than zero ;or,

- a withdrawing *boundary entity* conducting a wheeling through transaction that is linked as per Chapter 7 section 3.5.8.2:

$$NEMSC_{k,h} = \Sigma_{t,m} (EMP_h^{m,t} \times ((AQEI_{k,h}^{m,t} - AQEW_{k,h}^{m,t})$$
$$+ \Sigma_{s,b} (BCQ_{s,k,h}^{m,t} - BCQ_{k,b,h}^{m,t})))$$

where:

t = all *metering interval*s in *settlement hour* 'h'

m = all *RWMs* relating to a *dispatchable facility* and all *intertie metering points* associated with: i) any injecting *boundary entities;* ii) any withdrawing *boundary entities* where the associated *intertie congestion price* is less than zero ;and, iii) any withdrawing *boundary entity* conducting a wheeling through transaction that is linked as per Chapter 7 section 3.5.8.2

s = all *selling market participants*

b= all *buying market participants*

and

3.3.2.1A in respect of an *intertie metering point* associated with a withdrawing *boundary entity* where that *intertie congestion price* is <u>not</u> less than zero:

$$NEMSC_{k,h} \quad = \quad \Sigma_{t,m} \left(\left(MAX \left(x_h^{m,t}, EMP_h^{m,t} \right) \right) \times AQEW_{k,h}^{m,t} \right)$$

where:

t = all *metering interval*s in *settlement hour* 'h'

m = all *intertie metering points* where the *intertie congestion price* is ~~greater~~ not less than zero

PART 5 – IESO BOARD DECISION RATIONALE

This amendment ensures that the wording of the market rules is consistent within the provision and effectively reflects the intended outcome of MR-00393 R00.