

Market Rule Amendment Proposal Form

Part 1 - Market Rule Information

Identification No.:	MR-00449-R01
Subject:	CMSC Recovery from Electricity Storage facilities
Title:	Clarifications to the Market Rules (Omnibus 2021)
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration <input type="checkbox"/> Deletion <input checked="" type="checkbox"/> Addition
Chapter:	Chapter 9
Appendix:	N/A
Sections:	3.5
Sub-sections proposed for amending:	3.52, 3.5.6G
Current Market Rules Baseline	Issue 78, Baseline 45.0, February 26, 2021

Part 2 - Proposal History

Version	Reason for Issuing	Version Date
1.0	Draft for Technical Panel Review and Comment	June 22, 2021
2.0	Posted for stakeholder review and comment	June 29, 2021
3.0	Submitted for Technical Panel vote to recommend	July 20, 2021
4.0	Recommended by Technical Panel	October 5, 2021
5.0	Approved by IESO Board of Directors	October 20, 2021

Approved Amendment Publication Date:	October 21, 2021
Approved Amendment Effective Date:	December 1, 2021

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

On March 10, 2021 the IESO Board approved new market rules that enabled the recovery of congestion management settlement credits (CMSC) from dispatchable loads when those payments were a result of actions taken to prevent endangering the safety of any person, equipment damage, or the violation of any applicable law (SEAL). The new section 3.5.6G of Chapter 9 closely follows a similar provision for dispatchable generation in section 3.5.6C of Chapter 9. This section was edited in MR-00446 to integrate electricity storage resources, specifically by including electricity storage facilities that can inject. To retain consistency with 3.5.6C, the amendments that enable recovery of CMSC from dispatchable loads should also include electricity storage that can withdraw. In addition, a reference to this new section 3.5.6G should be included in section 3.5.2.

This amendment changes the rights for electricity storage participants to collect congestion management settlement credits. As such, it has been deemed by IESO staff to not fit within the definition of a minor amendment. Despite this, it is not considered to be a significantly material amendment to warrant a separate stakeholder process. No comments were received in the engagement process related to CMSC recovery from dispatchable loads. Further, in the storage design project, no comments were received related to CMSC. On this basis, the IESO does not believe a separate engagement initiative is warranted and that the required changes are best achieved by inclusion into this omnibus amendment.

Background

The IESO proposes a number of market rule amendments in this year’s omnibus process. The IESO is proposing that a suite of rule amendments be considered that includes two amendments that may not be considered minor according to the defined term *minor amendment*, as they impact the obligations of some market participants. In both cases however, the impact is expected by the IESO to be non-material. As such, their inclusion in an existing amendment process will reduce the effort involved by Technical Panel members and the IESO in administering separate initiatives. These amendment proposals are included in proposal packages R01 and R02 along with a rationale in each of why they are being included

in this amendment process. Proposal R00 includes the other amendments that would typically be considered minor amendments. Minor market rule amendments are defined in Chapter 11 of the market rules as: “.....an amendment to the market rules to correct a typographical or grammatical error, or to effect a change of a non-material procedural nature;”. Proposals R03 and R04 are also considered minor amendments, however they are included as separate packages due to the volume of changes entailed in each.

Discussion

Chapter 9 Amendments:

- In the new section 3.5.6G in Chapter 9 that references dispatchable load, include electricity storage facilities that can withdraw.
- In section 3.5.2 include 3.5.6G in the list of sections that may impact the calculation of CMSC.

Part 4 Proposed Amendment

Chapter 9

3.5.2 Subject to sections 3.5.1A, 3.5.1D, 3.5.1E, 3.5.1F, 3.5.1G, 3.5.6, 3.5.6A, 3.5.6B, 3.5.6C, 3.5.6D, 3.5.6F, 3.5.6G, 3.5.9, 3.5.10 and 3.5.11 and subject to Appendix 7.6 of Chapter 7, the hourly congestion management *settlement* credit for *market participant* ‘k’ for *settlement hour* ‘h’ (“CMSC_{k,h}”) shall be determined by the following equation:

3.5.6G A *registered market participant* for a *registered facility* that is a *dispatchable load* or a dispatchable electricity storage facility that can withdraw, who, for *settlement hour* ‘h’:

- is unable to comply with a *dispatch instruction* under section 7.5.3 of Chapter 7, to prevent endangering the safety of any person, equipment damage, or violation of any *applicable law*; and/or
- requests that the *IESO* apply a constraint to the *dispatchable load facility* or the dispatchable electricity storage facility that can withdraw to prevent endangering the safety of any person, equipment damage, or violation of any *applicable law*;

subject to section 3.5.6E, is not entitled to any inappropriate congestion management *settlement* credit, determined in accordance with section 3.5.2, resulting from the above actions for *settlement hour* ‘h’. The *IESO* may recover such congestion management *settlement* credit in accordance with section 3.5.6E.