



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

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|-------------------------------------|---|--|-----------------------------------|
| Identification No.: | MR-00388 | | |
| Subject: | Demand Response | | |
| Title: | Delete References to the Transitional Demand Response and Emergency Load Reduction Programs | | |
| Nature of Proposal: | <input type="checkbox"/> Alteration | <input checked="" type="checkbox"/> Deletion | <input type="checkbox"/> Addition |
| Chapter: | 5, 7, 9, 11 | Appendix: | |
| Sections: | Ch 5 – 5.8.1, 5.9.1.6, Ch 7 – 14, 15, Ch 9 – 2.1.1A.3, 4.7C, 4.7F, 4.8.1.15, 4.8.2.7, 4.8.2.12, Ch 11 definitions | | |
| Sub-sections proposed for amending: | | | |

PART 2 – PROPOSAL HISTORY

| Version | Reason for Issuing | Version Date |
|--------------------------------------|--|-------------------|
| 1.0 | Draft for Technical Panel review | November 22, 2011 |
| 2.0 | Publish for Stakeholder Review and Comment | December 1, 2011 |
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| 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*.

Summary

It is proposed to amend the market rules to delete all references to the Transitional Demand Response and Emergency Load Reduction Programs both of which have been discontinued.

In addition, it is proposed to delete the definition of “designated program market participant,” which refers to a person who participates in the Emergency Load Reduction Program.

Background

Refer to MR-00388-Q00

Discussion

The Emergency Load Reduction Program (ELRP) was cancelled as of April 30, 2010 due to enhancements in other reliability initiatives.¹ As a result, it is proposed to delete all references to ELRP from the market rules and replace all applicable sections with “[Intentionally left blank – section deleted].”

The Transitional Demand Response Program (TDRP) ended April 15, 2007 as other reliability initiatives have been enhanced and a variety of demand response programs have been established by the OPA.² All references to the retired TDRP will be removed from the market rules and all applicable sections will be amended to “[Intentionally left blank – section deleted].”

Consequential to the above amendment, it is proposed to delete the definition of “designated program market participant,” which refers to a person who participates in the Emergency Load Reduction Program.

¹ [IESO Weekly Bulletin](#)– April 29, 2010, EDRP and ELRP to end.

² [Transitional Demand Response Program \(TDRP\)](#) – TDRP ended April 15, 2007.

PART 4 – PROPOSED AMENDMENT

Chapter 2**2. Classes of Market Participants**

2.1.1 The following classes of persons may apply for authorization to participate in the *IESO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IESO-controlled grid*:

2.1.1.1 *generators;*

2.1.1.2 *distributors;*

2.1.1.3 *wholesale sellers;*

2.1.1.4 *wholesale consumers;*

2.1.1.5 *retailers;*

2.1.1.6 *transmitters; and*

2.1.1.7 *financial market participants; and*

2.1.1.8 ~~*designated program market participants.*~~ [Intentionally left blank – section deleted]

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Chapter 5**5.8 Operation Under an Emergency Operating State**

5.8.1 Once an *emergency operating state* has been declared by the *IESO*, the *IESO* may take such action as it determines appropriate including, but not limited to:

5.8.1.1 [Intentionally left blank]

5.8.1.2 [Intentionally left blank]

5.8.1.3 [Intentionally left blank]

- 5.8.1.4 coordinating with other *security coordinators*; acquiring *emergency energy* in accordance with section 2.3.3A;
- 5.8.1.5 issuing directions to *market participants* to reduce *demand* through voltage reductions and interruptions in accordance with section 10.3 ~~and through the Emergency Load Reduction Program in accordance with section 15.3 of Chapter 7~~; and

5.9 Operation Under a High-Risk Operating State

- 5.9.1 Once a *high-risk operating state* has been declared by the *IESO*, the *IESO* may take such action as it determines appropriate including, but not limited to:
 - 5.9.1.1 [Intentionally left blank]
 - 5.9.1.2 [Intentionally left blank]
 - 5.9.1.3 [Intentionally left blank]
 - 5.9.1.4 operating to *security limits* appropriate for a *high-risk operating state*;
 - 5.9.1.5 coordinating with neighbouring *security coordinators*;
 - 5.9.1.6 issuing directions to *market participants* to reduce *demand* through voltage reductions or interruptions in accordance with section 10.3 ~~and through the Emergency Load Reduction Program in accordance with section 15.3 of Chapter 7~~; and
 - 5.9.1.7 temporarily and selectively increase the level of *security* on the *IESO-controlled grid*.

Chapter 7

- 14. ~~Transitional Demand Response~~ [Intentionally left blank – section deleted]
- 14.1 ~~Description of Transitional Demand Response Program~~ [Intentionally left blank – section deleted]

14.1.1 ~~The Transitional Demand Response Program is a temporary program to reduce barriers to *demand* response inside the *IESO control area*. [Intentionally left blank – section deleted]~~

14.1.2 ~~The *IESO* shall implement and administer the Transitional Demand Response Program in accordance with the parameters established by the *IESO Board*. The *IESO* shall document eligibility criteria, program procedures, *energy* price thresholds and other program details in the applicable *market manual*. [Intentionally left blank – section deleted]~~

15. Emergency Load Reduction Program [Intentionally left blank – section deleted]

15.1 Eligibility Requirements for the Emergency Load Reduction Program [Intentionally left blank – section deleted]

15.1.1 ~~A *market participant* is eligible to participate in the Emergency Load Reduction Program provided that: [Intentionally left blank – section deleted]~~

15.1.1.1 ~~the *market participant* demonstrates to the satisfaction of the *IESO* that it can provide a minimum level of 1 MW of *demand* reduction; and, [Intentionally left blank – section deleted]~~

15.1.1.2 ~~the *market participant* has submitted to the *IESO* a measurement and verification plan and the *IESO* is satisfied with the plan. [Intentionally left blank – section deleted]~~

15.1.2 ~~The *IESO* may refuse participation in the Emergency Load Reduction Program by a *market participant* if their participation would negatively impact the *reliable* operation of the *IESO-controlled grid*. [Intentionally left blank – section deleted]~~

15.1.3 ~~The *IESO* may remove a *market participant* that is participating in the Emergency Load Reduction Program if its continued participation would negatively impact the *reliable* operation of the *IESO-controlled grid*. The *IESO* may temporarily remove a *market participant* that is participating in the Emergency Load Reduction Program if the conditions on the *IESO-controlled grid* are such that their participation would negatively impact the *reliable* operation of the *IESO-controlled grid*. [Intentionally left blank – section deleted]~~

15.2 ~~Emergency Load Reduction Program Parameters~~[Intentionally left blank – section deleted]

- 15.2.1 ~~The IESO Board shall set the prices to be paid for standby fees and activation fees necessary for the operation of the Emergency Load Reduction Program.~~ [Intentionally left blank – section deleted]
- 15.2.2 ~~The IESO Board or its delegate may establish the program parameters for the operation of the Emergency Load Reduction Program including but not limited to the following:~~ [Intentionally left blank – section deleted]
- 15.2.2.1 ~~the days of operation;~~ [Intentionally left blank – section deleted]
- 15.2.2.2 ~~the hours of operation; and,~~ [Intentionally left blank – section deleted]
- 15.2.2.3 ~~the number of activation notices per Emergency Load Reduction Program participant per day.~~ [Intentionally left blank – section deleted]
- 15.2.3 ~~The IESO shall publish all Emergency Load Reduction Program parameters and prices established under section 15.2.1 and 15.2.2.~~ [Intentionally left blank – section deleted]
- 15.2.4 ~~The IESO shall notify market participants at least 5 business days in advance of:~~ [Intentionally left blank – section deleted]
- ~~• the day the Emergency Load Reduction Program could first be used;~~
 - ~~• the day that any adjustments to the program parameters determined under section 15.2.2 will come into effect; and,~~
 - ~~• the day that any adjustments to the prices determined by the IESO Board under section 15.2.1 will come into effect.~~

15.3 ~~Operation of the Emergency Load Reduction Program~~[Intentionally left blank – section deleted]

- 15.3.1 ~~The IESO shall notify market participants and publish, in accordance with the applicable market manual, the initiation of the Emergency Load Reduction Program for a given dispatch day.~~ [Intentionally left blank – section deleted]
- 15.3.2 ~~Following the IESO notification under section 15.3.1 a market participant that intends to participate in the Emergency Load Reduction Program for the dispatch day shall notify the IESO, in accordance with the applicable market manual, of its intent to provide a demand reduction of a minimum of 1 MW for the dispatch day. Upon this notification the market participant shall be eligible to receive a standby payment.~~ [Intentionally left blank – section deleted]
- 15.3.3 ~~A market participant participating in the Emergency Load Reduction Program which has notified the IESO in accordance with section 15.3.2, shall, upon the IESO's direction, activate its demand reduction in accordance with the applicable~~

~~market manual unless such activation would endanger the safety of any person, damage equipment, or violate any applicable law. [Intentionally left blank – section deleted]~~

- 15.3.4 ~~If a market participant does not reduce its demand in accordance with section 15.3.3, the IESO may reduce or not pay at all the market participant's standby fee. The market participant shall also be subject to compliance actions in accordance with section 6 of Chapter 3. [Intentionally left blank – section deleted]~~
- 15.3.5 ~~A market participant participating in the Emergency Load Reduction Program shall confirm in accordance with the applicable market manual to the IESO that any activated demand reduction was not also applied to any other demand reduction program or service. [Intentionally left blank – section deleted]~~
- 15.3.6 ~~The IESO shall report, in accordance with the applicable market manual, any demand reduction activation under the Emergency Load Reduction Program and the results thereof. [Intentionally left blank – section deleted]~~
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Chapter 9

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2. Settlement Data Collection and Management

2.1 Metering and Metering Responsibilities

- 2.1.1 Subject to section 2.1.1A, every *meter* utilised for determining *settlement amounts* according to this Chapter must be a *registered wholesale meter (RWM)*.
- 2.1.1A Nothing in section 2.1.1 shall be construed as requiring the *IESO* to determine *settlement amounts* on the basis of an *RWM* in circumstances where:
- 2.1.1A.1 it is permitted to use another *meter* for this purpose pursuant to section 3.1.4A; or
- 2.1.1A.2 in circumstances where the *IESO* has determined that determination of *settlement amounts* using a *metering installation* whose registration has expired is required for the efficient operation of the *IESO-administered markets*; or
- 2.1.1A.3 ~~the IESO is determining settlement amounts related to the Emergency Load Reduction Program specified in section 15 of Chapter 7 using a~~

~~measurement and verification plan referred to in section 15.1.1.2 of Chapter 7; or~~ [Intentionally left blank – section deleted]

- 2.1.1A.4 the *IESO* has not permitted the use of the *RWM* for determining *settlement amounts* for the reason specified section 4.2.2A of Chapter 6.

4.7C ~~Transitional Demand Response Payments~~ [Intentionally left blank – section deleted]

- 4.7C.1 ~~A market participant participating in the Transitional Demand Response Program shall provide *settlement data* to the *IESO* in the time and manner specified in the applicable *market manual*. The *IESO* may audit any submitted *settlement data* and supporting information.~~ [Intentionally left blank – section deleted]
- 4.7C.2 ~~The *IESO* shall remit Transitional Demand Response Program payments, if any, to the applicable *market participant* in the time and manner specified in the applicable *market manual*.~~ [Intentionally left blank – section deleted]
- 4.7C.3 ~~The *IESO* may recover from a *market participant* any previous Transitional Demand Response Program payment or portion thereof if the audit of the *market participant's settlement data* and supporting information indicates an overpayment was made to the *market participant*.~~ [Intentionally left blank – section deleted]

4.7F ~~Emergency Load Reduction Program~~ [Intentionally left blank – section deleted]

- 4.7F.1 ~~A market participant participating in the Emergency Load Reduction Program shall provide *settlement data* to the *IESO* in the time and manner specified in the applicable *market manual*. The *IESO* may audit any submitted *settlement data* and supporting information.~~ [Intentionally left blank – section deleted]
- 4.7F.2 ~~The *IESO* shall remit Emergency Load Reduction Program payments, if any, to the applicable *market participant* in the time and manner specified in the applicable *market manual*.~~ [Intentionally left blank – section deleted]
- 4.7F.3 ~~The *IESO* may recover from a *market participant* any previous Emergency Load Reduction Program payment or portion thereof if the audit of the *market participant's settlement data* and supporting information submitted under section 4.7F.1 indicates an overpayment was made to the *market participant*.~~ [Intentionally left blank – section deleted]

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4.8 Additional Non-Hourly Settlement Amounts

4.8.1 The *IESO* shall, at the end of each *energy market billing period*, recover from *market participants*, on a pro-rata basis across all allocated quantities of *energy* withdrawn at all *RWMs* and *intertie metering points* during all *metering intervals* and *settlement hours* within that *energy market billing period*, the following amounts:

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4.8.1.15 ~~any compensation for Emergency Load Reduction Program participants paid in that *energy market billing period* by the *IESO* pursuant to section 4.7F; and~~ [Intentionally left blank – section deleted]

4.8.1.16 any compensation paid in that *energy market billing period* by the *IESO* under section 4.7G.

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4.8.2 The *IESO* shall, at the end of each *energy market billing period*, distribute to *market participants*, on a pro-rata basis across all allocated quantities of *energy* withdrawn at all *RWMs* and *intertie metering points* during all *metering intervals* and *settlement hours* within that *energy market billing period*, the following amounts:

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4.8.2.7 ~~any adjustments to Transitional Demand Response Program payments pursuant to section 4.7C;~~ [Intentionally left blank – section deleted]

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4.8.2.12 ~~any adjustments to Emergency Load Reduction Program payments pursuant to section 4.7F;~~ [Intentionally left blank – section deleted]

4.8.2.13 any recovery of payments made by the *IESO* under section 3.5.9; and

4.8.2.14 any proceeds from the day-ahead *generator* withdrawal charge under section 3.8F.

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Chapter 11 – Definitions

~~*designated program market participant* means a person who participates in the Emergency Load Reduction Program;~~

PART 5 – IESO BOARD DECISION RATIONALE

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