



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00400		
Subject:	General		
Title:	Minor Amendment Omnibus 2012		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input checked="" type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	2, 3, 5, 7, 9, 11	Appendix:	4.8, 5.1, 7.3,7.5
Sections:	Various		
Sub-sections proposed for amending:	Various		

PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Draft for Technical Panel Review	January 8, 2013
2.0	Publish for Stakeholder Review and Comment	January 17, 2013
3.0	Submitted for Technical Panel Vote	February 7, 2013
4.0	Recommended by Technical Panel; Submitted for IESO Board Approval	February 14, 2013
5.0	Approved by IESO Board	April 11, 2013
Approved Amendment Publication Date:	April 11, 2013	
Approved Amendment Effective Date:	May 3, 2013	

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

The IESO proposes a number of minor amendments to the market rules. These amendments correct typographical errors, cross-references, italicizes defined terms, removes inactive market functions that have remained in the market rules, and provides further clarity on the effective date of reliability standards in Ontario. The amendments relate to a number of different areas of the market rules, and for efficiency, have been submitted as a single “omnibus” package.

Background

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;”

A discussion of each amendment is below.

Discussion

Correct Typographical Errors

- Chapter 3, section 4.3.5.1A: delete the repeated word “a”
- Chapter 9, section 3.5.6D: replace the incorrectly spelled word “acordance” with “accordance”

Correct the Spelling of Synchronize

There are a number of instances within the market rules where “synchronize” is spelled as “synchronise.” For consistency purposes the IESO proposes to amend all spelling of the word “synchronise” to align with the British & World English as well as the US English Oxford Dictionary¹ spelling of the word, which is “synchronize.” The following sections will be amended:

- Appendix 4.8, Operating Reserve
- Chapter 5, sections:

¹ [Oxford Dictionary - Online](#)

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- 4.5.4, 4.5.7, 4.5.9, 4.5.12, 4.5.13, 4.9.2.1, 4.9.2.2
- Appendix 5.1, section 1.1.2.1
- Chapter 6, sections:
 - 9.2.3, 9.2.4, 9.2.5, 11.2.2,
- Chapter 7, sections:
 - 2.2A.5.1, 5.7.1.4 – 5.7.1.7, 6.3A.1, 6.3A.3, 11.1.1.1, 11.1.1.2, 11.2.1 – 11.2.6, 11.3.1 – 11.3.5, 11.3.7, 12.2.1.2, 12.2.2.2
 - Appendix 7.3, section 1.1.4
 - Appendix 7.5, sections 2.2.1.13, 2.5.6A, 2.5.7, 4.3.6.2, 4.8.2, 4.12.1.2, 6.3.2, 6.3.6.2
- Chapter 9, section 4.7B.1.1

In line with the above changes, it is proposed to hyphenate the word “desynchronize” in the following sections:

- Chapter 7, sections 5.8.6 and 6.3B.1
- Chapter 9, section 4.7E.1

Italicize Defined Terms

The following sections require the italicization of a defined term:

- Chapter 9, section 6.5.1, italicize – “preliminary”
- Chapter 11 definition of “load facility,” italicize:
 - “Integrated power system”
- Chapter 11 definition of “settlement statement,” italicize:
 - “Preliminary settlement statement” & “final settlement statement”

Remove Italics from Non-Defined Terms

- Chapter 11 definition of “IESO adjustment account”
 - Preliminary market settlement

Amending Incorrect Cross-References

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Chapter 2 , section 3.1.10.4:

- Section 3.1.10.4 references section 6.5.1 but does not indicate a chapter in which the referenced section is located. There is no section 6.5.1 within Chapter 2, the reference to section 6.5.1 should indicate “of Chapter 3.”
 - Section 3.1.10.4 of Chapter 2: Describes the IESO’s obligation to maintain and publish a list of market participants that are subject to the order outlined in section 6.5.1 (below).
 - Section 6.5.1 of Chapter 3: Describes the ability for the IESO to deregister market participant facilities if it has been determined that the market participant has persistently breached the market rules (as per section 6.2A of Chapter 3 – “Persistent Breach of Market Rules”)

Chapter 3, section 6.2.7.4:

- Section 6.2.7.4 references section 6.6.5 of Chapter 3 which has been “[Intentionally deleted – section left blanked].” This reference will be amended to reference the whole of section 6.6 which outlines the topic of “Non-Compliance Letters and Financial Penalties.”

Chapter 9, section 2.1A.6A:

- Section 2.1A.6A references section 2.1A.4.1 (b) which was deleted as part of MR-00392: Remove Provisions for Physical Allocation Data². This reference will be deleted.

Minor Amendments

During the creation of the “Realtime Constrained Totals Report” – Help File³ the current term referenced in the market rules, “Shared Activation of Reserve” was amended to “Simultaneous Activation of Reserve.” It is proposed to amend all references to “Shared Activation of Reserve” to read “Simultaneous Activation of Reserve.” The following sections will be amended:

- Chapter 5, section 4.5.6
 - Consequential to this minor amendment, the word “shared” will be replaced with “simultaneously activate.”
- Appendix 7.5, section 2.2.1.16

² [MR-00392-R00: Remove Provisions for Physical Allocation Data](#)

³ [Realtime Constrained Totals Report - Help File](#)

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- Consequential to this minor amendment there will be the inclusion of the word “of” to correct a typographical error.

- Chapter 9, section 4.5.1

The definition for the acronym “IESO” in Chapter 11 also italicizes the full term of “Independent Electricity System Operator,” which is not a defined term. To clarify the definition of the “IESO” the “Independent Electricity System Operator” will be included as a defined term.

There are a number of definitions beginning with the acronym “IESO” in Chapter 11 that are not in the correct alphabetical order. To correct this error it is proposed to alphabetize the following definitions:

- IESO-administered markets, IESO Board, IESO-controlled grid, IESO adjustment account, IESO administration charge, IESO catalogue of reliability-related information, and IESO control area.

Remove Inactive Market Functions

Deferred Payment Plan for Local Distribution Companies (LDCs):

- At market opening, a “Deferred Payment Plan” (DPP) for LDCs was put in place in order to mitigate the financial risks borne by LDCs resulting from the requirements to fully settle IESO invoices prior to LDCs receiving payments from end-users. LDCs that subscribed to the plan were allowed to defer payment on a portion of their monthly invoice or on margin calls issued by the IESO. Due to the lack of use and introduction of Bill 210 which capped price exposure for LDCs at \$43/MWh, the DPP was terminated in late 2002/early 2003. It is proposed to remove section 11 of Chapter 2 and all references to a Deferred Payment Plan within the market rules.

Administrative Pricing and Emergency Control Actions:

- As part of MR-00298: Emergency Control Actions & Counter-Intuitive Prices, the IESO introduced sections 8.4A.2.4 and 8.4A.17.5 of Chapter 7 to allow the IESO to utilize administered pricing procedures when the use of Emergency Control Actions created scenarios of counter-intuitive pricing. This was a short term solution to the issue of counter-intuitive pricing with a sunset clause included in the market rules language. The continued existence of the rule relied upon extension by the IESO Board. The IESO Board reviewed administered pricing under MR-00298-R00 at its meeting on September 23, 2005 and as was noted in the Chair’s Remarks of IESOTP-169⁴, the Board did not extend the sunset clause and therefore MR-00298-R00 expired on October 1, 2005. It is proposed to remove all amendments that resulted from the inclusion of MR-00298-R00 into the market rules.

⁴ [IESOTP 169 - October 4, 2005 - Final Meeting Minutes](#)

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Schedule of Penalties and Fines:

- Section 4.5.2 of Chapter 9 outlines the publishing and implementation of a schedule of penalties and fines. The IESO has not developed a schedule for penalties and fines and rather has a description of the formulas used to derive penalties and how these fines are enforced in section 6 of Chapter 3, “Enforcement” and Appendix 3.1, “Application of Enforcement Actions.” It is proposed to delete section 4.5.2 of Chapter 9 as there is no such schedule of penalties and fines and the applicable information can be found in the aforementioned market rules and appendix.

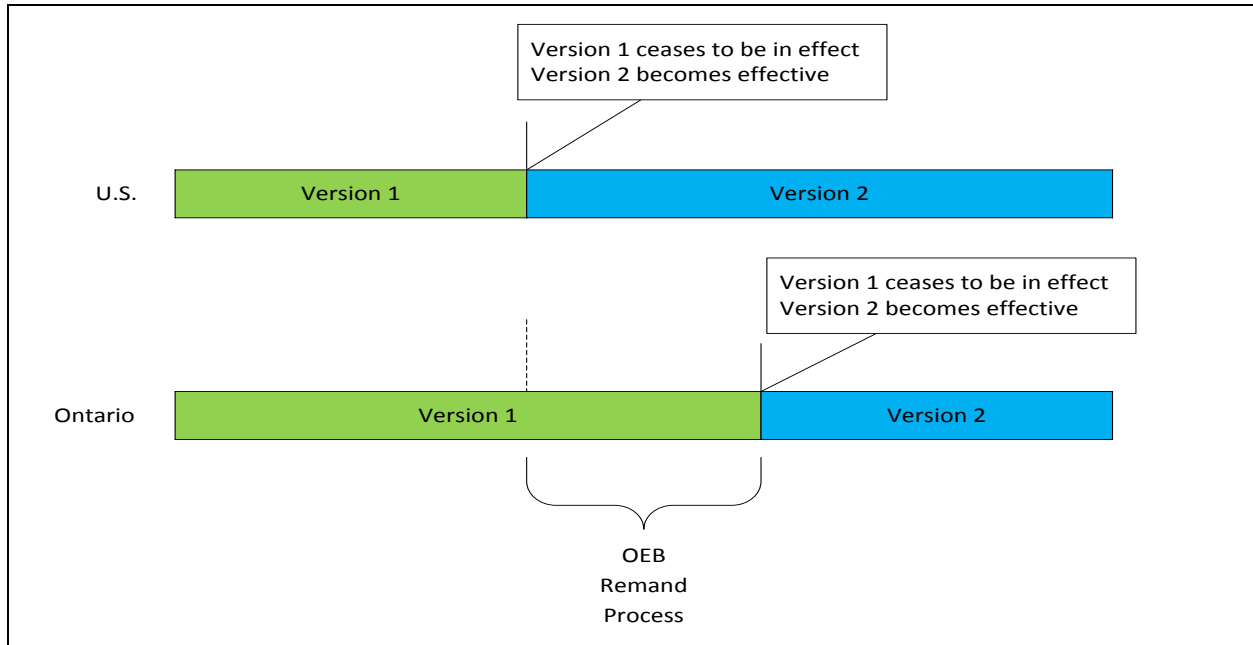
Clarification of Effective Dates of Reliability Standards in Ontario

Existing section 1.2.6 of Chapter 5 was added to ensure that the effective dates of reliability standards in Ontario (both NERC and NPCC reliability criteria) align with the dates in other jurisdictions⁵.

The focus of this section is to ensure that reliability standards approved by a standards authority are declared in force in Ontario after they are declared in force in the United States (U.S.) and after the completion of any statutory review periods during which no reviews are requested of, or initiated by the Ontario Energy Board (OEB). Since a reliability standard could become effective in Ontario as much as 120 days later than in the U.S. while a reliability standard ceases to be in effect in Ontario on the same day that it ceases to be in effect in the U.S. there is the potential for a “gap” whenever an existing reliability standard is revised. Therefore this rule amendment will ensure section 1.2.6 of Chapter 5 can only be interpreted such that in cases where a new reliability standard replaces an existing reliability standard, the existing reliability standard remains in effect until the expiry of the period for initiating a review before the OEB and the conclusion of any such review:

⁵ [MR-00379:Effective Dates for Reliability Standards](#)

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In summary, the proposed minor amendments to section 1.2.6 of Chapter 5 clarify the following:

- Where a reliability standard is being retired and replaced with a new or amended version, the previous version remains in effect in Ontario until the later of the completion of the conditions in sections 1.2.6.1 and 1.2.6.2
- As a matter of clean-up, delete the last sentence in section 1.2.6 (“For certainty...”) which is no longer required for “in-flight standard” (i.e. standards that were currently in force in Ontario but not the U.S. on the effective date of MR-00379: Effective Dates for Reliability Standards).

PART 4 – PROPOSED AMENDMENT

Correct Typographical Errors:

Chapter 3

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4.3.5.1A of such a nature that it raises only a ~~a~~ *minor amendment*, in which case the *amendment submission* shall be dealt with in accordance with the provisions of section 4.7; or

Chapter 9

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3.5.6D A registered market participant for a registered facility that is a dispatchable generation facility and is fuelled by a related generation facility, who, for settlement hour ‘h’:

- has received a constraint from the IESO for the dispatchable generation facility as per the applicable market manual; and
- submits or has submitted an offer price for that dispatchable generation facility for settlement hour ‘h’ greater than a specified limit defined in the applicable market manual;

subject to section 3.5.6E, is not entitled to any inappropriate congestion management settlement credit, determined in accordance with section 3.5.2, associated with that offer price for settlement hour ‘h’. The IESO may recover such congestion management settlement credit in accordance with section 3.5.6E.

Correct the Spelling of Synchronize:

Appendix 4.8 – Network Impact Information: Ancillary Services Providers

Target In-Service Dates	Initial In-Service:					
	Permanent Station In-Service:					
Reactive Support Service and Voltage Control Service	VAR Source	Type	Minimum	Min Required	Maximum MX	Max Required
Black Start Capability	Minimum Number of Starts					
	Maximum Time on In-house Load (minutes)					
	Island Governing Capability					
	Interconnected Governing Capability					
	Maximum Reactive Capability (MVAR)					
	Minimum Reactive Capability (MVAR)					
Automatic Generation Control	Maximum Power (MW)					
	Minimum Power (MW)					
	Power Ramping Rate (MW/min)					
Operating Reserve	Starting Time (for Non-synchroni z sed Reserve only)					
	Maximum Power (MW)					
	Minimum Power (MW)					
	Power Ramping Rate (MW/min)					

Chapter 5

4.5.4 Part of the requirement for ten-minute operating reserve shall be synchroni~~z~~sed with the IESO-controlled grid consistent with section 4.5.9.

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4.5.7 *Ten-minute operating reserve* is capacity that is available to the *integrated power system* in excess of anticipated requirements for *energy* and that can be made available and used within ten minutes. It includes resources that are either synchroni~~z~~ed or non-synchroni~~z~~ed with the *IESO-controlled grid*.

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4.5.9 *Ten-minute operating reserve* shall be synchroni~~z~~ed with the *IESO-controlled grid* to the extent required by all applicable *reliability standards*.

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4.5.12 A *registered facility* that is a *boundary entity* that is used as *ten-minute operating reserve* shall be treated as *operating reserve* that is non-synchroni~~z~~ed with the *IESO-controlled grid*.

4.5.13 The reduction in load that can be effected by curtailing pumping hydroelectric *generation facilities* is eligible to be treated as *operating reserve* that is synchroni~~z~~ed with the *IESO-controlled grid*.

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4.9.2.1 the *IESO* may test the synchroni~~z~~ed *ten-minute operating reserve* capability of a *generation facility* by issuing unannounced *dispatch instructions* requiring the *generation facility* to ramp up to its ten-minute capability;

4.9.2.2 the *IESO* may test the non-synchroni~~z~~ed *ten-minute operating reserve* capability of a *generation facility* or *dispatchable load* by issuing unannounced *dispatch instructions* requiring the *generation facility* or *dispatchable load* to come on line and ramp up or to reduce *demand*, in either case to its ten-minute capability;

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Appendix 5.1

1.1.2.1 whether the *registered facility* is synchroni~~z~~ed to the *IESO-controlled grid* or connected to a *distribution system*;

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Chapter 6

9.2.3 Subject to section 9.2.4, each *metering service provider* shall provide, in respect of each *metering installation* in respect of which it is the *metering service provider*, 'read-only' passwords to the *IESO*, to the *metered market participant* for the *metering installation*, to any *market participant* whose *settlement statement* is determined on the basis of the *metering installation's meter point*, and to any relevant *transmitter* or *distributor*, as the case may be depending upon the owner of the *facilities* to which the *facility* to which the *metering installation* relates is connected. Each *metering service provider* shall provide the *IESO* with a password allowing 'read plus synchronizse time' access to the *meter* in each *metering installation* for which it is the *metering service provider*.

9.2.4 Where separate 'read-only' and 'read plus synchronizse time' passwords are not available, the *metering service provider* shall provide the password for each *metering installation* only to the *IESO*.

9.2.5 Each *metering service provider* shall hold 'read-only', 'read plus synchronizse time' and 'read plus write' passwords for each *metering installation* for which it is the *metering service provider*, where available, and shall forward a copy of such passwords to the *IESO*.

11.2.2 The *IESO* shall synchronizse each *meter* clock to within ± 5 seconds of eastern standard time in the Province of Ontario, or to such greater standard of accuracy as can be reasonably achieved by the *IESO*, at the time of commissioning of a *metering installation* and thereafter whenever it reads a *meter*.

Chapter 7

2.2A.5.1 the time required for the *commissioning generation facility* to synchronizse to and de-synchronizse from the *IESO-controlled grid*;

5.7.1.4 the *registered market participant* for the *generation facility* does not increase the *offer prices* in its submitted *price-quantity pairs* corresponding to the *generation facility's minimum loading point* for the *minimum generation block run-time* after notifying the *IESO* of its intention to synchronizse under section 5.7.1.6 or after the *IESO* has applied a manual constraint under section 6.3A.4;

5.7.1.5 the *generation facility* is not already synchronizsed at the time of the publication of the applicable *pre-dispatch schedule* referred to in section 5.7.1.3;

- 5.7.1.6 the *registered market participant* for the *generation facility* notifies the *IESO* of its intention to synchroni~~z~~se and then run for at least the *minimum generation block run-time* in accordance with applicable *market manual*; and
- 5.7.1.7 at the time of notification of intention to synchroni~~z~~se made in accordance with section 5.7.1.4, the *registered market participant* for the *generation facility* also notifies the *IESO* of its intention to qualify for the generation cost guarantee.
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- 5.8.6 The *IESO* may, to maintain the reliable operation of the *IESO-controlled grid*, require a *generation facility* that was included in the *schedule of record* to either de_synchronize from the *IESO-controlled grid* or to not synchronize to the *IESO-controlled grid*.
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- 6.3A.1 After the *registered market participant* for a *generation facility* eligible for the generation cost guarantee notifies the *IESO* of its intent to synchroni~~z~~se pursuant to section 5.7 of Chapter 7, that *generation facility* shall synchroni~~z~~se, unless otherwise agreed to by the *IESO*, before the end of the specified *dispatch hour* and, subject to section 6.3A.3, run until the end of the *minimum generation block run-time*.
- 6.3A.3 If the *IESO*, for reasons of *reliability*, constrains off the *generation facility* such that the *generation facility* has to de-synchroni~~z~~se before the end of its *minimum generation block run-time*, the *generation facility* shall remain eligible for the generation cost guarantee.
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- 6.3B.1 If the *IESO*, for reasons of reliability, requires a *generation facility* that was eligible for the day-ahead production cost guarantee under section 2.2C to either de_synchronize from the *IESO-controlled grid* or to not synchronize to the *IESO-controlled grid* such that the *generation facility* does not comply with its *schedule of record*, the *generation facility* shall remain eligible for the day-ahead production cost guarantee. The *registered market participant* for the *generation facility* may also apply to the *IESO* for additional compensation under section 4.7E.1 of Chapter 9.
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11. Generator Synchroni~~z~~sation Procedures

- 11.1.1 No *generator*:

- 11.1.1.1 may physically *connect* and synchronizse to the *IESO-controlled grid* or de-synchronizse and *disconnect* from the *IESO-controlled grid*; or
- 11.1.1.2 if an *embedded generator*, may physically *connect* and synchronizse to the *embedding facility* or de-synchronizse and *disconnect* from the *embedding facility*,

except as provided in Chapter 4 and in this section 11.

11.2 Process for Synchronizsation

- 11.2.1 A *generator* that intends to synchronizse a *generation unit* to the *IESO-controlled grid* or *embedding facility*, as the case may be, must notify the *IESO* at least two hours in advance of the intended synchronizsation time unless an under-generation system advisory notice is in force, in which case the *IESO* may reduce the required notification time to that specified in the system advisory notice.
- 11.2.2 If a *generator* does not advise the *IESO* at least two hours in advance of synchronizsation, or any shorter interval allowed by an under-generation system advisory notice, the *IESO* may approve synchronizsation only if, in the *IESO*'s judgement, synchronizsation will not impair the ability of the *IESO* to maintain the *security* or *adequacy* of the *electricity system*.
- 11.2.3 The *IESO* shall notify the *generator* of the *IESO*'s acceptance or rejection of the *generation unit*'s synchronizsation plans within 5 minutes of receiving such plans. In the event that the *IESO* does not approve synchronizsation, the *registered market participant* responsible for the *registered facility*, of which the *generation unit* is a part, must revise its *dispatch data* in accordance with section 3.
- 11.2.4 Receipt by the *generator* of notification of acceptance by the *IESO* under section 11.2.3 gives the *generator* the right to synchronizse the *generation unit* to the *IESO-controlled grid* or the *embedding facility*, as the case may be. This right does not preclude the *IESO* from requiring de-synchronizsation of a *generation unit* in the event of over-generation in accordance with any applicable provisions of these *market rules* relating to over-generation.
- 11.2.5 The exact time of synchronizsation shall be subject to directions from the *IESO* and to the terms and conditions specified in the *generator's connection agreement* or, in the case of an *embedded generation unit*, its connection agreement, in such form as may be prescribed by the *OEB*, with the *distributor* with whom it is *connected*.
- 11.2.6 Each *generator* shall notify the *IESO* of any revisions to its synchronizsation plans without delay. Upon receipt of such notice, the *IESO* shall re-assess any

prior acceptance of a synchronizsation plan and shall notify the *generator* accordingly.

11.3 Process for De-synchronizsation

11.3.1 A *generator* intending to de-synchronizse a *generation unit* from the *IESO-controlled grid* or *embedding facility*, as the case may be shall notify the *IESO* 1 hour in advance of the intended de-synchronizsation time, unless a system advisory notice for over-generation is in effect, in which event the *generation unit* may de-synchronizse at will subject to the conditions of the system advisory notice.

11.3.2 If a *generator* does not advise the *IESO* at least 1 hour prior to its planned de-synchronizsation, or any shorter interval allowed by an over-generation system advisory notice, the *IESO* may approve de-synchronizsation only if, in the *IESO*'s judgement, the unit's de-synchronizsation will not impair the ability of the *IESO* to maintain the *security* or *adequacy* of the *electricity system*.

11.3.3 The *IESO* shall approve any request to de-synchronizse unless:

11.3.3.1 the *generation unit* is operating under the provisions of a *reliability must-run contract* and the *IESO* has directed it to operate;

11.3.3.2 the *IESO* requires the *generation unit* to remain synchronizsed to maintain the *security* or *adequacy* of the *electricity system*; or

11.3.3.3 an under-generation system advisory notice is in force.

11.3.4 The *IESO* shall notify the *generator* of the *IESO*'s acceptance or rejection of the *generation unit's* de-synchronizsation plans within 5 minutes of receiving such plans.

11.3.5 The exact time of de-synchronizsation shall be subject to directions from the *IESO* and to the terms and conditions specified in the *generator's connection agreement* or, in the case of an *embedded generation unit*, its connection agreement, in such form as may be prescribed by the *OEB*, with the *distributor* with whom it is *connected*.

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11.3.7 Each *generator* shall notify the *IESO* of any revisions to its de-synchronizsation plans without delay. Upon receipt of such notice, the *IESO* shall re-assess any prior acceptance of a de-synchronizsation plan and shall notify the *generator* accordingly.

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12.2.1.2 allow *generators* to de-synchroni~~z~~se from the *IESO-controlled grid* or the *embedding facility*, as the case may be, without penalty, some or all of the *generation units* within any *registered facility* in locations designated by the *IESO*; and/or

.....

12.2.2.2 allow *generators* to synchroni~~z~~se to the *IESO-controlled grid* or the *embedding facility*, as the case may be, without penalty, some or all of the *generation units* within any *registered facility* in locations designated by the *IESO*; and/or

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Appendix 7.3

1.1.4 Minimum MW level of *generator* output at which the *generation unit* can offer its maximum level of *ten-minute operating reserve* that is synchroni~~z~~sed with the *IESO-controlled grid*.

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Appendix 7.5

2.2.1.13 the requirements for each of *ten-minute operating reserve* that is synchroni~~z~~sed to the *IESO-controlled grid*, *ten-minute operating reserve* that is non-synchroni~~z~~sed to the *IESO-controlled grid* and *thirty-minute operating reserve*, and the area requirements for *ten-minute operating reserve*;

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2.5.6A *Offers for ten-minute operating reserve* that is synchroni~~z~~sed with the *IESO-controlled grid* that are not scheduled to meet that proportion of *ten-minute operating reserve* which is required to be synchroni~~z~~sed with the *IESO-controlled grid* may be scheduled to satisfy the remaining portion of *ten-minute operating reserve* that is not synchroni~~z~~sed with the *IESO-controlled grid*.

2.5.7 *Offers for ten-minute operating reserve* –that is synchroni~~z~~sed with the *IESO-controlled grid* or for *ten-minute operating reserve* –that is not synchroni~~z~~sed with the *IESO-controlled grid* and that are not scheduled to meet the *ten-minute operating reserve* requirement may be scheduled to satisfy the requirements for a *thirty-minute operating reserve*.

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4.3.6.2 RESERVECLASSES = {RS10,RNS10,R30} where:

- a. RS10 denotes the *ten-minute operating reserve* that is synchronized with the *IESO-controlled grid*;
- b. RNS10 denotes *ten-minute operating reserve* that is not synchronized with the *IESO-controlled grid*; and
- c. R30 denotes *thirty-minute operating reserve*.

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4.8.2 Parameters

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ReserveLoadingPoint10_r The *operating reserve* loading point for *ten-minute operating reserve* that is synchronized with the *IESO-controlled grid* associated with *operating reserve offer r*. This defines the minimum *energy* value required for a generator to reach its maximum *ten-minute operating reserve offer*.

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SynchReserveProportion The fraction of *ten-minute operating reserve* that must be supplied by *operating reserve* that is synchronized to the *IESO-controlled grid*.

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4.12.1.2 Variables

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DeficitSyn ch10MinRes ervaBlock_j The amount contributed by block *j* in accounting for the amount by which the *ten-minute operating reserve* requirement that is synchronized to the *IESO-controlled grid* exceeds the *ten-minute operating reserve* scheduled.

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6.3.2 Operating reserve requirements for the IESO control area are specified for each of ten-minute operating reserve and thirty-minute operating reserve. The ten-minute operating reserve that is required to be synchronized with the IESO-controlled grid is given as a fraction of the ten-minute operating reserve requirement. Since ten-minute operating reserve that is not required for purposes of the ten-minute operating reserve requirement can be used to satisfy the thirty-minute operating reserve requirement, a total operating reserve requirement is defined and is the

sum of the ten-minute operating reserve requirement and the thirty-minute operating reserve requirement.

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6.3.6.2 Ten-minute operating reserve synchronized with the IESO-controlled grid

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Chapter 9

4.7B.1.1 the sum of the following revenues earned in each *dispatch interval* during the period from synchronization until the end of the *minimum generation block run-time* or the end of the *minimum run-time*, whichever comes first:

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4.7E.1 In the event that the *IESO*, in order to maintain reliable operation of the *IESO-controlled grid* requires a *generation facility*:

- that was included in the *schedule of record*; and
- for which the *registered market participant* for the *generation facility* is deemed to have accepted the day-ahead production cost guarantee in accordance with Section 5.8.4 of Chapter 7;

either to desynchronize from the *IESO-controlled grid* prior to the end of its commitment scheduled in the *schedule of record* or not to synchronize to the *IESO-controlled grid*, the *market participant* may, in accordance with chapter 7 section 6.3B, claim, in the manner specified in the applicable *market manual*, reimbursement of financial losses related to the procurement of fuel for operation at its commitment scheduled in the *schedule of record* and which was not ultimately utilized by that *generation facility*.

Italicize Defined Terms:

Chapter 9

6.5.1 The *IESO* shall issue to each *market participant* separate ~~preliminary~~preliminary *settlement statements* to cover:

Chapter 11

load facility means a facility that draws electrical energy from the ~~integrated power system~~ integrated power system;

settlement statement means a ~~preliminary settlement statement~~ preliminary settlement statement and/or a ~~final settlement statement~~ final settlement statement;

Remove Italics from Non-defined Terms:

IESO adjustment account means the *settlement account* operated by the *IESO* which is used for adjustments in *settlement* payments after a ~~preliminary market settlement~~ preliminary market settlement has been made;

Amending Incorrect Cross-References:

Chapter 2

3.1.10 The *IESO* shall establish, maintain, update and *publish*:

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3.1.10.4 a list of all *market participants* that are the subject of an order referred to in section 6.5.1 of Chapter 3, and the time at which such order became effective in respect of each listed *market participant*.

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Chapter 3

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6.2.7 Where the *IESO* determines that a *market participant* has breached the *market rules*, the *IESO* may by order do any one or more of the following:

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6.2.7.4 issue a non-compliance letter in accordance with section 6.6.~~5~~;

.....

Chapter 9

2.1A.6A Where the sum of *energy* associated with *connection station service* and with site specific losses is apportioned by the *IESO* pursuant to sections ~~2.1A.4.1(b) or~~ 2.1A.4.2(b) by reason of the failure of all applicable *metering service providers* to reach agreement as to the proportions referred to in sections 2.1A.4.1(a) or 2.1A.4.2(a) as the case may be, any *market participant* that is the subject of such apportionment may submit the matter to the dispute resolution process set forth in section 2 of Chapter 3 and shall, in the *notice of dispute*:

2.1A.6A.1 name all other *market participants* which are the subject of the same apportionment as *respondents*; and

2.1A.6A.2 request that the arbitrator determine an alternative apportionment.

.....

Minor Amendments:

Simultaneous Activation of Reserve

Chapter 5

Shared Simultaneous Activation of Reserve

4.5.6 The *IESO* may ~~share simultaneously activate~~ with nearby systems in *NPCC* and *PJM* ~~the activation of~~ its *ten-minute operating reserve* to respond to *contingency events* in accordance with agreements between the *IESO* and such systems. Similarly, such systems may activate their *operating reserve* when requested to meet *contingency events* in the *IESO control area* in accordance with agreements between the *IESO* and such systems. Such shared simultaneous activation of *operating reserve* is solely for the purpose of maintaining the *reliability* of *interconnection systems* and shall not alter the *operating reserve* requirements of the *IESO*.

.....

Appendix 7.5

2.2.1 The required inputs to the *dispatch* scheduling and pricing process are:

.....

2.2.1.16 imports or exports between the *IESO-control area* and other control areas required by the *IESO* to meet its obligations under requirements established by all relevant standards authorities and which are outside the normal market *bids* and *offers* including but not limited to inadvertent

inertie flows and ~~shared-simultaneous~~ activation of reserve. These shall be represented as an increase or decrease in *non-dispatchable load*.

Chapter 5

- 4.5.1 *Operating reserve* is capacity that, for any given operating interval or *dispatch interval*, is in excess to that required to meet anticipated requirements for *energy* for that operating interval or dispatch interval, and is available to the *integrated power system* for *dispatch* by the *IESO* within a specified time period, such as 10 minutes or 30 minutes. *Operating reserves* may be provided by *generation facilities*, *dispatchable loads* and *boundary entities* to the extent that each meets the applicable requirements to be a *registered facility* in respect of each category of *operating reserves*. Neighbouring *control areas* may also provide *operating reserve* through ~~shared-simultaneous~~ activation of *operating reserve* and regional reserve sharing programs. *Operating reserve* is required to:

IESO Definition Amendment

Chapter 11

IESO ~~means-or~~ the *Independent Electricity System Operator* means the Independent Electricity System Operator, which is the continuation of the Independent Electricity Market Operator established under Part II of the *Electricity Act, 1998*;

Alphabetize Definitions

Chapter 11

IESO adjustment account means the settlement account operated by the IESO which is used for adjustments in settlement payments after a preliminary market settlement has been made;

IESO-administered markets means the markets established by the *market rules*;

IESO administration charge means the charge imposed by the IESO on market participants for the purpose of recovery by the IESO of its administration costs;

IESO Board means the Board of Directors of the *IESO*;

IESO catalogue of reliability-related information means the catalogue described in section 14.1.3 of Chapter 5;

~~IESO control area means that area, including the IESO-controlled grid, with respect to which the IESO is the control area operator;~~

IESO-controlled grid means the transmission systems with respect to which, pursuant to operating agreements, the IESO has authority to direct operations;

~~*IESO adjustment account means the settlement account operated by the IESO which is used for adjustments in settlement payments after a preliminary market settlement has been made;*~~

~~*IESO administration charge means the charge imposed by the IESO on market participants for the purpose of recovery by the IESO of its administration costs;*~~

~~*IESO catalogue of reliability-related information means the catalogue described in section 14.1.3 of Chapter 5;*~~

~~*IESO control area means that area, including the IESO-controlled grid, with respect to which the IESO is the control area operator;*~~

Remove Inactive Market Functions:

Deferred Payment Plan

Chapter 2

11.0 ~~Deferred Payment Plan~~[Intentionally left blank – section deleted]

11.1 ~~Deferred Payment Plan Authorization, Term and Eligibility~~[Intentionally left blank – section deleted]

11.1.1 ~~This section, together with the applicable market manual, sets forth the terms and procedures governing the deferred payment plan. The deferred payment plan offers distributors, which are licensed and authorized as wholesale market participants, an opportunity to subscribe for a specific portion of a deferred payment plan line of credit which the distributor may use to: [Intentionally left blank – section deleted]~~

- a. ~~defer payment on a part of the distributor's invoiced wholesale energy and hourly uplift settlement amounts during periods of high wholesale energy market prices; and [Intentionally left blank – section deleted]~~
- b. ~~satisfy a part of the amount owed by the distributor pursuant to margin calls issued by the IESO. [Intentionally left blank – section deleted]~~

11.1.2 ~~The deferred payment plan, should it be offered by the IESO, shall be offered on an annual basis. It is thereafter subject, at any time, to being renewed, cancelled~~

~~or varied by resolution of the IESO Board. The IESO shall publish and give notice to all distributors of any actions undertaken by the IESO Board to renew, cancel or vary the deferred payment plan, and subject to any terms imposed by the financial institutions extending the deferred payment plan line of credit, the IESO shall endeavour to give distributors two (2) months notice of the decision to renew or not renew the deferred payment plan for the ensuing year and the terms thereof. [Intentionally left blank – section deleted]~~

11.1.3 ~~Distributors that wish to subscribe to the deferred payment plan, or wish to renew their subscriptions, shall apply to do so within the timelines and as otherwise prescribed by the IESO in the applicable market manual. Without limiting the foregoing, the IESO may, as it deems reasonable, limit the amount of any subscription applied for by a distributor. [Intentionally left blank – section deleted]~~

11.1.4 ~~The IESO shall, subject to section 11.1.5, seek to arrange financing of the deferred payment plan line of credit in an amount equal to the total of the subscriptions applied for by distributors pursuant to section 11.1.3. [Intentionally left blank – section deleted]~~

11.1.5 ~~If the IESO cannot obtain financing of the deferred payment plan line of credit in an amount equal to the total of all subscriptions applied for, or if at any point in time, the deferred payment plan line of credit is reduced below such amount, the IESO shall prorate the amount of the deferred payment plan line of credit available to subscribers based on the amount of their respective subscriptions. In this event the IESO shall notify each subscriber of its prorated share of the deferred payment plan line of credit. [Intentionally left blank – section deleted]~~

11.1.6 ~~If the deferred payment plan is cancelled or not renewed by the IESO Board, or a distributor does not renew its subscription, or if the deferred payment plan is cancelled or terminated by any person for any reason, the applicable subscriber or subscribers shall repay any amounts drawn against their proportionate share of the deferred payment plan line of credit in accordance with the repayment arrangements agreed upon between the IESO and the financial institution or institutions which extended the deferred payment plan line of credit. [Intentionally left blank – section deleted]~~

11.2 ~~Allocation and Recovery of Costs Associated with the Deferred Payment Plan~~[Intentionally left blank – section deleted]

11.2.1 ~~The IESO shall allocate to and recover from subscribers all costs incurred by the IESO in relation to the deferred payment plan, including but not limited to: [Intentionally left blank – section deleted]~~

11.2.1.1 ~~all costs incurred by the IESO in establishing and administering the deferred payment plan, which costs shall be allocated to and recovered from all subscribers in accordance with their proportionate share of the~~

~~deferred payment plan line of credit; and~~ [Intentionally left blank – section deleted]

- 11.2.1.2 ~~all costs incurred by the IESO as a result of draws made by a subscriber against its proportionate share of the deferred payment plan line of credit, which costs shall be allocated to and recovered from that subscriber.~~
[Intentionally left blank – section deleted]

11.3 Determination of the Threshold Amount[Intentionally left blank – section deleted]

- 11.3.1 ~~The IESO shall determine a threshold amount for each subscriber as follows:~~

~~Threshold Amount = Threshold Price x Subscriber's Forecast Monthly Quantity + applicable taxes~~

~~where,~~

~~the Forecast Monthly Quantity shall be calculated by the IESO based on an average of the Form 1044 monthly quantities submitted to the IESO by the subscriber for the twelve months following implementation of the deferred payment plan and each renewal thereof.~~

~~The threshold price shall be determined in accordance with the following formula:~~

~~Threshold Price = [Multiplier] x (SCP + IESO Forecast Hourly Uplift).~~

~~where,~~

~~SCP is the Small Consumer Price as published by the OEB from time to time.~~

~~IESO Forecast Hourly Uplift shall be the IESO's forecast hourly uplift settlement amounts provided to the OEB from time to time for rate making purposes and shall include net energy market settlement credit hourly uplift components plus any other applicable hourly uplift components enumerated in section 3.9.1 of Chapter 9.~~

~~The IESO Board shall set the multiplier from time to time.~~

~~The IESO shall change the threshold amount if there is a change to the multiplier and the IESO may change the threshold amount if there are material changes to any of the other factors in the threshold amount formula – ie. subscriber's forecast monthly quantity, SCP, IESO forecast hourly uplift or applicable taxes. The IESO shall give notice to subscribers of any such change to their respective threshold amount and such change shall become effective as set out in such notice.~~

[Intentionally left blank – section deleted]

- 11.4 ~~Margin Call Protection~~[Intentionally left blank – section deleted]**
- 11.4.1 ~~If a *subscriber* is issued a *margin call* during a period of high wholesale *energy* prices, as prescribed by the applicable *market manual*, the *subscriber* may satisfy all or a part of the *margin call* by allocating as a reserve against the *margin call* all or a part of its proportionate share of the *deferred payment plan line of credit*. [Intentionally left blank – section deleted]~~
- 11.4.2 ~~The *IESO* shall include the following information in *margin calls* which it issues to *subscribers*: [Intentionally left blank – section deleted]~~
- 11.4.2.1 ~~the total amount of the *margin call*; [Intentionally left blank – section deleted]~~
- 11.4.2.2 ~~the amount of the *margin call* that the *subscriber* may satisfy by reserving all or a part of its proportionate share of the *deferred payment plan line of credit*; and, [Intentionally left blank – section deleted]~~
- 11.4.2.3 ~~the balance of the *margin call* that the *subscriber* must pay to the *IESO*. [Intentionally left blank – section deleted]~~
- 11.4.3 ~~A *subscriber* shall within 2 *business days* of the date of receipt of a *margin call*: [Intentionally left blank – section deleted]~~
- 11.4.3.1 ~~pay to the *IESO*, at a minimum, the amount referred to in section 11.4.2.3; and [Intentionally left blank – section deleted]~~
- 11.4.3.2 ~~satisfy the amount referred to in section 11.4.2.2 by instructing the *IESO* to reserve all or a part of its proportionate share of the *deferred payment plan line of credit* and/or paying the *IESO* directly. [Intentionally left blank – section deleted]~~
- 11.5 ~~Monthly Invoicing and Repaying Line of Credit~~[Intentionally left blank – section deleted]**
- 11.5.1 ~~If the *IESO* determines that the amount payable by a *subscriber* for *energy* plus *hourly uplift* for a *billing period*, as determined in accordance with the applicable provisions of chapter 9, is greater than the *subscriber's* threshold amount, as determined in accordance with section 11.3.1, the *IESO* shall notify the *subscriber* of information including but not limited to the following: [Intentionally left blank – section deleted]~~
- 11.5.1.1 ~~the *subscriber's* threshold amount, as determined in accordance with section 11.3.1; [Intentionally left blank – section deleted]~~
- 11.5.1.2 ~~the amount payable by the *subscriber* for *energy* and *hourly uplift* for the applicable *billing period* for which amount the *subscriber* may defer~~

- ~~payment by drawing from its proportionate share of the deferred payment plan line of credit; and~~[Intentionally left blank – section deleted]
- 11.5.1.3 ~~the amount payable, if any, by the subscriber for energy and hourly uplift for the applicable billing period which amount exceeds the sum of the subscriber's threshold amount and the amount of the available credit in the subscriber's proportionate share of the deferred payment plan line of credit.~~[Intentionally left blank – section deleted]
- 11.5.2 ~~A subscriber, which is notified by the IESO pursuant to section 11.5.1, shall pay the following amounts to the IESO by the payment dates specified by the IESO:~~[Intentionally left blank – section deleted]
- 11.5.2.1 ~~the amount referred to in section 11.5.1.1;~~[Intentionally left blank – section deleted]
- 11.5.2.2 ~~the amount referred to in section 11.5.1.2, which may be paid directly to the IESO and/or satisfied by instructing the IESO to apply all or a portion of the subscriber's proportionate share of the deferred payment plan line of credit; and~~[Intentionally left blank – section deleted]
- 11.5.2.3 ~~the amount referred to in section 11.5.1.3.~~[Intentionally left blank – section deleted]
- 11.5.3 ~~If the IESO determines that the amount payable by a subscriber for energy plus hourly uplift for a billing period, as determined in accordance with the applicable provisions of chapter 9, is less than the subscriber's threshold amount, as determined in accordance with section 11.3.1, but there remain amounts drawn on the subscriber's proportionate share of the deferred payment plan line of credit:~~[Intentionally left blank – section deleted]
- 11.5.3.1 ~~the IESO shall notify the subscriber of the difference between the total amount payable by the subscriber for the billing period, as specified in the subscriber's regular billing period settlement invoice, and the subscriber's threshold amount; and~~[Intentionally left blank – section deleted]
- 11.5.3.2 ~~the subscriber shall pay to the IESO by the payment date specified by the IESO, all or a part of the amount of the difference determined in accordance with section 11.5.3.1, to the extent necessary to repay the amount drawn on the subscriber's proportionate share of the deferred payment plan line of credit. If payment of the amount of the said difference is not sufficient to repay in full the amount drawn on the subscriber's proportionate share of the deferred payment plan line of credit, the subscriber shall, in accordance with this section, repay this amount in ensuing billing periods until the drawn amount is repaid in full.~~[Intentionally left blank – section deleted]
-

5.6 Margin Call Requirements and the No Margin Call Option

- 5.6.1 ~~Subject to section 11.4, a~~ market participant must satisfy a *margin call* within the time prescribed in section 5.6.2 by paying a portion of the amount payable or which will become payable in respect of the previous or current *energy market billing period*, in accordance with Chapter 9, in an amount sufficient to reduce the *market participant's actual exposure* to no more than the dollar equivalent of 75% of the *market participant's trading limit*. No interest shall be paid on such payments.
-

Chapter 9

6.11 Payment of Invoices

- 6.11.1 Subject to section 6.11.2 ~~and section 11.5 of Chapter 2~~, each *market participant* shall pay the full net *invoice* amount by the *market participant payment date* specified in the *SSPC* or, where applicable, determined in accordance with any of sections 6.3.23, 6.3.27 and 6.3.29, regardless of whether or not the *market participant* has initiated or continues to have a dispute respecting the net amount payable.
-

- 6.14.8 Upon receipt of any payments by the *IESO*, either from or on the behalf of one or more *defaulting market participants* including any *prudential support* held by the *IESO*, or on behalf of *non-defaulting market participants* pursuant to a *default levy*, the *IESO* shall first repay all existing lines of credit and other banking facilities, ~~including the portion of the deferred payment plan line of credit applicable to such defaulting market participants~~, and following repayment of such lines of credit and banking facilities, the *IESO* shall then repay on a pro-rata basis all *real-time market creditors* owed amounts pursuant to section 6.14.7.
-

Chapter 11

~~deferred payment plan means a plan described in section 11 of Chapter 2;~~

~~deferred payment plan line of credit means the line or lines of credit arranged by the IESO for the purpose of funding the deferred payment plan;~~

.....

~~subscriber means a distributor which has elected to participate, and has satisfied all the conditions to participate, in the deferred payment plan;~~

Administrative Pricing and Emergency Control Actions

Chapter 7

8.4A.2 The *IESO* shall establish *administrative prices* and, where applicable, corresponding *market schedules* when:

.....

~~8.4A.2.4—the *IESO* has implemented one or more *emergency control actions* as described in the applicable *market manual*, and the *IESO* determines that *operating reserve market prices* or *energy market prices* have changed as a result and in a manner that is not consistent with prevailing market conditions. The operation of this section 8.4A.2.4 shall expire on October 1, 2005 or such other date as determined by resolution of the *IESO Board*;~~

.....

8.4A.4 In circumstances where *administrative prices* are required under sections 8.4A.2.2; or 8.4A.2.3; ~~or 8.4A.2.4~~ the *IESO* shall establish *administrative prices* and corresponding *market schedules* that would, to the extent practical, reflect the *market prices* and corresponding *market schedules* that would have otherwise been produced by the *real-time markets*, but for the event causing *market prices* to be administered.

8.4A.5 Where the *IESO* establishes *administrative prices* pursuant to sections 8.4A.2.2; or 8.4A.2.3; ~~or 8.4A.2.4~~ in respect of one or more *dispatch intervals*, it shall use the best available *dispatch data* for *energy* or *operating reserve*, as the case may be, pertaining to the *dispatch interval* to which the *administrative price* is to be applied and the *market prices* and corresponding *market schedule* for that *dispatch interval* shall be as the *IESO* determines appropriate consistent with the principle stated in section 8.4A.4, and shall be the *market price* and corresponding *market schedule* from:

.....

8.4A.6 Where the *IESO* establishes an *administrative price* pursuant to sections 8.4A.2.2; or 8.4A.2.3; ~~or 8.4A.2.4~~ the *IESO* shall, if the need for *administrative prices* extends beyond 48 *dispatch intervals*, establish *administrative prices* for the remaining *dispatch intervals* of the event causing *market prices* to be administered within the *IESO control area* and the *intertie zones*, using an average *HOEP* for the *energy market* and the hourly average of the *operating*

reserve prices for the applicable dispatch intervals for the operating reserve markets, determined from the corresponding hour or hours from each of the 4 most recent business days or non-business days, as the case may be, excluding those hours from any day in which administrative pricing has been established under this section. Prices for the excluded hours shall be replaced by prices that have not been administered under this section from the corresponding hours of the most recent earlier business days or non-business days, as the case may be.

.....

8.4A.17 The IESO shall cease to apply *administrative prices*:

.....

8.4A.17.3 where section 8.4A.2.2 applies due to a *planned outage* of software, hardware or communications systems, from the commencement of the first *dispatch interval* after the *planned outage* referred to in that section has been completed; and

8.4A.17.4 where section 8.4A.2.3 applies, from the commencement of the first *dispatch interval* after the incorrect inputs referred to in that section have been corrected; and.

~~8.4A.17.5 where section 8.4A.2.4 applies, from the commencement of the first *dispatch interval* after the *operating reserve prices* or *energy market prices* referred to in that section are no longer inconsistent with prevailing market conditions.~~

.....

Schedule of Penalties and Fines

Chapter 9

4.5 IESO Administration Charge, Penalties, and Fines

4.5.1 The IESO shall determine a methodology for calculating and allocating an *IESO administration charge*.

4.5.2 ~~The IESO shall develop and publish a schedule of penalties and fines and describe how these will be implemented. [Intentionally left blank – section deleted]~~

Clarification of Effective Dates of Reliability Standards in Ontario

Chapter 5

1.2.6 Subject to section 1.2.7, *reliability standards* established by a *standards authority* that have not otherwise been stayed or revoked and referred back to the *standards authority* for further consideration by the *Ontario Energy Board* shall be declared in force in Ontario upon the later date of:

1.2.6.1 ~~when~~ the *reliability standards* are being declared in force in the United States or, for *NPCC* reliability criteria, when declared in force by *NPCC*; and

1.2.6.2 ~~after~~ the expiry of the period for initiating a review before the *Ontario Energy Board* and the conclusion of any such review;

and shall cease to be in force in Ontario when they cease to be in force in the United States, provided that where a *reliability standard* is being retired and replaced with a new or amended version, the previous version shall remain in effect in Ontario until the later of the completion of the conditions in sections 1.2.6.1 and 1.2.6.2. ~~For certainty, the operation of any *reliability standard* that had been in force in Ontario but had not been declared in force in the United States when this rule amendment went into effect shall be stayed until such *reliability standard* has been declared in force in the United States.~~

PART 5 – IESO BOARD DECISION RATIONALE

This amendment corrects typographical errors, cross-references, italicizes defined terms, removes inactive market functions that have remained in the market rules, and provides further clarity on the effective date of reliability standards in Ontario.