



Market Rule Amendment Submission

This form is used to request an amendment to, or clarification of, the *Market Rules*. Please complete the first four parts of this form and submit the completed form by email or fax to the following:

Email Address: Rule.Amendments@ieso.ca
 Fax No.: (416) 506-2847 Attention: Market Rules Group
Subject: Market Rule Amendment Submission

All information submitted in this process will be used by the *IESO* solely in support of its obligations under the *Electricity Act, 1998*, the *Ontario Energy Board Act, 1998*, the *Market Rules* and associated policies, standards and procedures and its licence. All submitted information will be assigned the *confidentiality classification* of “Public” upon receipt. You should be aware that the *IESO* will *publish this amendment submission* if the *Technical Panel* determines it warrants consideration and may invite public comment.

Terms and acronyms used in this Form that are italicized have the meanings ascribed thereto in Chapter 11 of the *Market Rules*.

PART 1 – SUBMITTER’S INFORMATION

Please enter contact information in full.	
Name: <u>IESO Staff</u>	
(if applicable) <i>Market Participant / Metering Service Provider No.</i> ¹ : <u>N/A</u> <i>Market Participant Class</i> : <u>N/A</u>	
Telephone: <u>905-855-4128</u>	Fax: <u>905-855-6371</u>
E-mail Address: <u>Rule.amendments@ieso.ca</u>	

PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: <u>Compliance</u>	
Title: <u>General Conduct Rule</u>	
Nature of Request (please indicate with x)	
<input type="checkbox"/> Alteration	<input type="checkbox"/> Deletion <input checked="" type="checkbox"/> Addition <input type="checkbox"/> Clarification
Chapter: <u>TBD</u>	Appendix: _____ Sections: <u>TBD</u>
Sub-sections proposed for amending/clarifying: _____	

¹ This number is a maximum of 12 characters and does not include any spaces or underscore.

PART 3 – DESCRIPTION OF THE ISSUE

Provide a brief description of the issue and reason for the proposed amendment. If possible, provide a qualitative and quantitative assessment of the impacts of the issue on you and the *IESO-administered markets*. Include the Chapter and Section number of the relevant *market rules*.

Summary

The IESO proposes to amend the market rules by introducing a general conduct rule to support the well-functioning of the IESO-administered markets.

This proposal is based on stakeholder consultation as part of SE-112 General Conduct Rule.

Further information on SE-112 can be found on the IESO's website at:

http://www.ieso.ca/imoweb/consult/consult_se112.asp

Background

Electricity markets are complex by nature, and the market rules must evolve as the market design and other factors, such as the nature and behavior of market participants, evolve. It is very difficult, perhaps impossible, for market rule designers to contemplate all possible scenarios and every specific desired proscription/prohibition in advance. Notably absent from the current market rules is a provision that invokes the larger objectives of the Ontario electricity market.

A general conduct rule fills in gaps which may cause or allow harmful conduct, identifies undesirable conduct going beyond any other single rule, and sets a baseline for discretionary conduct in all scenarios. By not having such a rule, the Ontario market stands alone from its counterparts in North America.

Examples of market activities which are representative of undesirable behavior, or which generate or aim to generate undesirable market outcomes include gaming, manipulation, circumvention and anti-competitive behavior.

Although conduct identified after the fact can, if not captured by an existing market rule, be addressed by a market rule amendment, rule amendments lag evolving circumstances. After the fact amendments to address identified issues have been used by the IESO in its rule-making capacity, and have proven a means to fill in gaps or holes in existing rules once identified. However, such an approach does not allow for sufficient accountability to be imposed for the undesirable behavior identified.

PART 4 – PROPOSAL (BY SUBMITTER)

Provide your proposed amendment. If possible, provide suggested wording of proposed amendment.

The IESO proposes to amend the market rules by introducing a general conduct rule to support the well-functioning of the IESO-administered markets.

PART 5 – FOR IESO USE ONLY

<i>Technical Panel</i> Decision on Rule Amendment Submission: <u>Warrants consideration</u>	
MR Number: <u>MR-00407</u>	
Date Submitted to <i>Technical Panel</i> : <u>January 20, 2014</u>	
Accepted by <i>Technical Panel</i> as: (please indicate with x)	Date:
<input checked="" type="checkbox"/> General <input type="checkbox"/> Urgent <input type="checkbox"/> Minor	<u>January 21, 2014</u>
Criteria for Acceptance: <u>The amendment submission will provide means to better enable the IESO to satisfy the larger objectives of the Ontario electricity market.</u>	
Priority: <u>Regular</u>	
Criteria for Assigning Priority: <u>This proposal is based on consultation as part the General Conduct Rule Stakeholder Engagement (SE-112).</u>	
Not Accepted (please indicate with x): <input type="checkbox"/>	
Clarification/Interpretation Required (please indicate with x): <input type="checkbox"/>	
<i>Technical Panel</i> Minutes Reference: <u>IESOTP 276-1</u>	
<i>Technical Panel</i> Comments: _____	