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**Market Rule Amendment Written
Submission**

This form is used to provide comment on a *market rule* amendment under consideration by the *IESO*. Please complete all four sections of this form and submit the completed form by email to the following:

Email Address: Rule.Amendments@ieso.ca
Attention: Market Rules Group
Subject: Market Rule Written 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* intends to *publish* this written submission.

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 your organization and contact information in full.

Name: BP Canada Energy Group ULC

(if applicable) *Market Participant /
Metering Service Provider No.*¹: _____

Market Participant Class: _____

Telephone: 403-233-1441 – Kim Johnston

Fax: 403-233-5655

E-mail Address: Kim.Johnston@bp.com

PART 2 – MARKET RULE AMENDMENT REFERENCE

Type of Rule Amendment Being Commented on (please indicate with x):

Amendment Submission Proposed Rule Amendment Recommended Rule Amendment

MR Number: MR-00407-R00 - General Conduct Rule

This *Market Rule* number is located on the “Current Market Rule Amendment” web page.

Date Relevant *Amendment Submission*, Proposed or Recommended Rule Amendment Posted for Comment: March 27, 2014

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

PART 3 – COMMENTS ON RULE AMENDMENT

Provide your comments.

BP Canada Energy Group ULC (“BP Canada”) is writing in response to the Market Rule Amendment Proposal which would set forth, amongst other things, a General Conduct Rule. While BP Canada is supportive of the development of a General Conduct Rule, it does have concerns with the rule as currently framed. BP Canada also shares some of the concerns others have raised with respect to the jurisdiction of the IESO to make such rule, but has focused its comments herein to the General Conduct Rule itself.

We believe that a meaningful General Conduct Rule needs to be clear and concise with respect to setting out the type of conduct that is to be prohibited and that such a rule should also require proof that a market participant has acted intentionally and in bad faith. The proposed General Conduct Rule is, in BP Canada’s opinion, worded very broadly and would make it difficult for market participants to know what it is intended to prevent. For example, defining a breach as “exploits or attempts to exploit any of the market rules, including any gap or defect in the market rules” is, in BP Canada’s view, very subjective, especially where there is no requirement of intentional misconduct. The standard being advanced appears to be more of a negligence standard and seems unprecedented in the context of market conduct rules in other jurisdictions.

In that regard, BP Canada would propose the following modifications to 10A.1:

10A.1 Market participants and the IESO shall not directly or indirectly engage or attempt to engage in conduct, alone or with another person, ~~that they know, or ought reasonably to know with deceitful or fraudulent intent to:~~

10A.1.1 exploits the IESO-administered markets, including by, without limitation, exploiting any gap or defect in the market rules in order to manipulate a market price or that operates or would operate as a fraud or deceit. For purposes of this Section 10A.1 an act shall be considered manipulative if it is entered with the intent to create or cause and does create or cause a price that is not reflective of supply and demand.

10A.1.2 circumvents any of the market rules in order to manipulate a market price or that operates or would operate as a fraud or deceit.

10A.1.4 undermines through any means the ability of the IESO to carry out its powers, duties and functions under the Electricity Act, 1998 and the market rules; or

10A.1.5 interferes with the determination of a market price or dispatch outcome by competitive forces in order to manipulate a market price or that operates or would operate as a fraud or deceit.

PART 4 – EXTERNAL CONSULTATION MEETING

If you believe that a special meeting of stakeholders would be necessary/desirable to discuss the issues raised by the rule amendment, please complete the following information:

External Stakeholdering meeting necessary/desirable (please indicate with x):

PART 4 – EXTERNAL CONSULTATION MEETING

Reason(s) why you believe a meeting is necessary/desirable: