



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: Thanh Nguyen, Regulatory Manager – Ontario, TransAlta

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

Market Participant Class: _____

Telephone: (403)-267-3905

Fax: _____

E-mail Address: thanh_nguyen@transalta.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 & R01 : 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.

TransAlta would like to thank the Independent Electricity System Operator (IESO) for the opportunity to comment on MR-00407-R00 & R01: General Conduct Rule. TransAlta supports the continuation of a competitive market in Ontario that delivers an efficient, competitive and reliable market for the wholesale sale and purchase of electricity and ancillary services. TransAlta would like to note that it is a member of the Association of Power Producers of Ontario (APPRO) and supports the comments filed by APPRO with the IESO on April 14th, 2014 related to this matter.

In addition to the comments made by APPRO, TransAlta would like to expand on the following areas of concern with the proposed general conduct rule:

1. Legitimate Business Purpose Defence
2. Exclusion of IESO Rule Making
3. Limitations Period

Legitimate Business Purpose Defence:

TransAlta is concerned that the current GCR may inappropriately capture legitimate business activity within its scope. A market participant who engages in behaviour for business reasons unconnected to electricity market incentives such as bi-lateral contracts, steam host obligations, or gas transmission issues could find themselves defending against allegation of non-compliance.

A Legitimate Business Purpose Defence would allow market participants (in FERC's language) to "have the opportunity to show that their actions were not designed to distort prices or otherwise manipulate the market."

Exclusion of IESO Rule Making:

TransAlta is concerned that the IESO is not bound by the GCR. We believe that the IESO's rule making capacity should be within scope of the GCR similar to other ISOs in North America. For example, FERC oversees ISO compliance with conduct rule and the Alberta Electric System Operator must comply with FEOC, which is the GCR equivalent in Alberta.

Limitations Period:

TransAlta is concerned with the proposed six year limitation period from time of discovery and thus there is no hard cap. We believe that this is too open-ended and thus would create issues with record retention policies and how long records must be kept. The production of records can be a very expensive and time-consuming process and can create a significant burden for the market participant. We recommend that a hard cap be put in place to resolve this issue.

Conclusion:

TransAlta appreciates the IESO's efforts to undertake an issue that affects all organized electricity markets. However, we respectfully submit that further consideration of the issues raised in this submission and those filed by APPRO need to be addressed.

PART 3 – COMMENTS ON RULE AMENDMENT

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):

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