



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 to the following:

Email Address: Rule.Amendments@ieso.ca

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: IESO Staff

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

Market Participant Class:
N/A

Telephone: 905-855-6433

Fax: N/A

E-mail Address: Rule.amendments@ieso.ca

PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: Settlement Accounts

Title: Allocation of IESO Adjustment Account

Nature of Request (please indicate with x)

Alteration Deletion Addition Clarification

Chapter: 9 Appendix: N/A Sections: 6.18

Sub-sections proposed for amending/clarifying: 6.18.6

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 to change the options for allocating funds in the IESO’s adjustment account. This proposal would:

- Add an option to allow a distribution to market participants of the IESO’s adjustment account credit balance; and
- Delete the existing option to use the balance to reduce the IESO administration charge in the following year.

The intent of the existing option was to use funds in the adjustment account to reduce costs for market participants by applying any credit balances to reduce the IESO administration charge in the following year. The proposed changes would allow for a more direct and timely means of returning funds to market participants.

Background

The IESO’s adjustment account was established prior to market opening (pursuant to a market rule¹) to receive and disburse payments from penalties, damages, fines and payment adjustments arising from resolved settlement disputes, and to reimburse the IESO for any associated costs or expenses.

At least annually, the IESO Board of Directors is required to review the allocation of the account balance. Among other things, the IESO Board may direct that some or all of the balance be used to reduce the IESO administration charge in the following year. However, this option has never been used.

In order to provide a more direct means of returning funds to market participants, it is proposed to delete this option and replace it with an option whereby the IESO Board may approve that some or all of any remaining credit balance be distributed to market participants on a basis to be determined by the IESO Board.

PART 4 – PROPOSAL (BY SUBMITTER)

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

It is proposed to amend the market rules, Chapter 9, section 6.18.6.3 “Settlement Accounts” to remove the option to use the adjustment account balance to reduce the IESO’s fee in the following year, and to add an option to allow a distribution of some or all of the account balance to market participants.

Chapter 9

6.18 Settlement Accounts

¹ Chapter 9, section 6.18.6 of the market rules

PART 4 – PROPOSAL (BY SUBMITTER)

- 6.18.6.3 the *IESO Board* shall review, at least annually, the allocation of any credit balance of the *IESO adjustment account*, and may:
- a. establish an amount to be retained in the *IESO adjustment account*;
 - b. direct that some or all of the credit balance be applied to special education projects or initiatives; and/or
 - c. direct that some or all of the balance be ~~used to reduce the *IESO administration charge in the following year*~~ distributed to market participants on a basis to be determined by the *IESO Board*.

PART 5 – FOR IESO USE ONLY

Technical Panel Decision on Rule Amendment Submission: Warrants Consideration

MR Number: MR-00411

Date Submitted to *Technical Panel*: August 19, 2014

Accepted by *Technical Panel* as: (please indicate with x) Date:

General Urgent Minor August 26, 2014

Criteria for Acceptance: The amendment submission will provide a more direct and timely option for returning credit balances in the adjustment account to market participants.

Priority: Regular

Criteria for Assigning Priority: At least annually, the IESO Board of Directors is required to review the allocation of the account balance.

Not Accepted (please indicate with x):

Clarification/Interpretation Required (please indicate with x):

Technical Panel Minutes Reference: 283-1

Technical Panel Comments: _____