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## Market Rule Amendment Proposal

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### PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00413		
Subject:	General		
Title:	Market Rule References to Safety, Environment and Applicable Law		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	Various	Appendix:	Various
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	December 2, 2014
2.0	Publish for Stakeholder Review and Comment	December 9, 2014
3.0	Submitted for Technical Panel Vote	January 13, 2015
4.0	Recommended by Technical Panel; Submitted for IESO Board Approval	January 20, 2015
Approved Amendment Publication Date:		
Approved Amendment Effective Date:		

**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 amendments to create consistency in the language used throughout the market rules which allow a market participant, or the IESO to take such action in order to ensure the safety of any person, prevent the damage of equipment, or prevent the violation of any applicable law.

**Background**

Refer to MR-00413-Q00

**Discussion**

It is proposed to replace all market rule references which allow market participants, or the IESO to take such action to ensure the safety of people, property, equipment, environment, or applicable law, with language to: (i) ensure the safety of any person; (ii) prevent the damage of equipment, or (iii) prevent the violation of any applicable law (which includes environmental law), in the following sections:

- Chapter 1 sections 4.5.4 and 4.5.5
- Chapter 3 section 5.3.1.6
- Chapter 4 section 1.1.4
- Chapter 5 sections 1.2.3, 1.2.5, 3.4.1.5, 3.5.1.3, 3.6.1.6, 3.7.1.5, 6.1.6, and 10.5.3
- Appendix 5.1 section 1.5.6.2
- Chapter 7 section 3.3.6.3
- Chapter 10 section 2.3.2.2

In sections 6.4.2 and 6.4.3.1 of Chapter 4, references to property and assets will be amended to equipment. For these sections, there will be no reference to ‘applicable law.’ Of note, section 6.4.2A/6.4.2A.2 of Chapter 4 allows the IESO to issue a disconnection order to a transmitter within the context of connection requirements if a facility or equipment connected to the IESO-controlled grid does not comply with the market rules or applicable law.

As a matter of clean-up, it is also proposed to italicize the term “applicable law” in section 1.5.6.2 of Appendix 5.1, and to remove italics from the word “equipment” in section 3.5.1.3 of Chapter 5 which is not a defined term in Chapter 11 of the market rules.

## PART 4 – PROPOSED AMENDMENT

## Chapter 1

## 4.5 Market Testing and Operational Dry Run

- 4.5.4 Nothing in this section 4.5 is intended to prevent a *commissioning participant* from acting to ensure the safety of any person, prevent the damage of equipment, or prevent the violation of any applicable law, ~~protect its assets from physical damage or to protect the safety of its employees, the public or the environment~~ provided that any such actions that may impact on the conduct of *market testing* and operational dry run activities shall be coordinated with the *IESO* to the fullest extent practicable and shall, in any event, be reported or notified to the *IESO* as soon as practicable.
- 4.5.5 A *commissioning participant* may refuse to comply with, or delay compliance with, a direction referred to in section 4.5.3.1 only where and to the extent necessitated by concerns to ensure the safety of any person, prevent the damage of equipment, or prevent the violation of any applicable law ~~for the safety of its assets and employees or for the safety of the public or the environment~~. Any such refusal or delay shall be reported or notified to the *IESO* as soon as practicable.

## Chapter 3

## 5.3 Exceptions

- 5.3.1 Unless prohibited by *applicable law* or by the provisions of these *market rules* other than this section 5, nothing in sections 5.2, 5.4 or section 5.5.1A of chapter 5 shall prevent:

- 5.3.1.6 the disclosure of *confidential information* if required to ensure the safety of any person, prevent the damage of equipment, protect the health or safety of personnel, equipment or prevent the violation of any applicable law ~~the environment~~, or to maintain the *reliability* of the *IESO-controlled grid*;

## Chapter 4

## 1. Introduction

- 1.1.4 Nothing in this Chapter is intended to prevent *market participants* from acting to ensure the safety of any person, prevent the damage of equipment, or prevent the violation of any applicable law~~protect their assets from physical damage or to protect the safety of their employees, the public or the environment~~, provided that the *market participants* coordinate any such actions that may affect the *reliability* of the *IESO-controlled grid* with the *IESO* to the fullest extent practicable.

## 6.4 Disconnection During an Emergency or For Safety or Reliability Reasons

- 6.4.2 Where the *IESO* becomes aware of a threat to the safety of any persons, damage to equipment, property or the environment or to the *reliability* of the *integrated power system* that requires urgent action, the *IESO* may issue a *disconnection order* directing the relevant *transmitter* or *distributor* to *disconnect* a person's *facilities* or equipment from the *IESO-controlled grid*, its *transmission system* or its *distribution system*, as the case may be.

- 6.4.2A Where the *IESO* becomes aware that a person has *connected facilities* or equipment to the *IESO-controlled grid*:

- 6.4.2A.1 without the approval of the *IESO* including, where applicable, but not limited to the approval referred to in section 6.1.22;
- 6.4.2A.2 in a manner that does not comply with the requirements of the *market rules* or *applicable law*;
- 6.4.2A.3 in a manner that does not comply with the requirements identified in a *connection assessment* associated with that person's *facilities* or equipment; or
- 6.4.2A.4 where applicable, in a manner other than that determined satisfactory by the *IESO* pursuant to section 6.1.7 or 6.1.23,

the *IESO* may issue a *disconnection order* directing the relevant *transmitter* to *disconnect* the person's *facilities* or equipment from the *IESO-controlled grid*.

- 6.4.3 A *transmitter* may, in accordance with the provisions of its *licence*, any code issued by the *OEB* with which the *transmitter* is required to comply, or the *market rules*, immediately *disconnect* from the *IESO-controlled grid* the *facilities* or equipment of a person where:

- 6.4.3.1 such action is urgently required to ensure the safety of any person, prevent the damage of equipment, as a result of a threat to the safety of persons, property or the environment,~~or a threat of physical damage to the transmitter's assets~~;

## Chapter 5

### 1.2 General Principles

1.2.3 Nothing in this Chapter is intended to prevent *market participants* from acting to ensure the safety of any person, prevent the damage of equipment, or prevent the violation of any applicable law~~protect their assets from physical damage or to protect the safety of their employees, the public or the environment~~, provided that any such actions that may affect the *reliability* of the *IESO-controlled grid* are coordinated with the *IESO* to the fullest extent practicable and are, in any event, reported or notified to the *IESO* where required by these *market rules* to be so reported or notified.

1.2.5 Unless a direction, instruction or order of the *IESO* provides otherwise, wherever this Chapter specifies that an action is to be taken "promptly" or "immediately", such action shall be taken as soon as possible after receiving the direction, instruction or order from the *IESO* or after becoming aware that an action is to be taken or is required not to be taken but in all events within five minutes, subject only to delay necessitated to ensure the safety of any person, prevent the damage of equipment, or prevent the violation of any applicable law~~by concerns for the safety of equipment, employees, the public or the environment~~.

### 3.4 Obligations of Transmitters

3.4.1 Each *transmitter* shall operate and maintain its transmission *facilities* and equipment in a manner that is consistent with the *reliable* operation of the *IESO-controlled grid* and shall assist the *IESO* in the discharge of its responsibilities relating to *reliability*. Such obligation shall include, but not be limited to, the following:

3.4.1.5 promptly complying with the *IESO's* directions, including directions to *disconnect facilities* or equipment from the *IESO-controlled grid* or its *transmission system* for *reliability* purposes, unless the *transmitter* reasonably believes that following the *IESO's* direction poses a real and substantial risk of endangering the safety of any person, damage to its equipment, to the safety of its employees or the public, or violating any applicable law~~of undue injury to the environment~~. In all cases where the *transmitter* does not intend to follow the *IESO's* directions for any such reasons, it shall promptly notify the *IESO* of this fact and shall nonetheless comply with the

*IESO's* directions to the fullest extent possible without causing the harms described above.

### 3.5 Obligations of Wholesale Customers

3.5.1 Each *connected wholesale customer* shall operate and maintain its *facilities* and equipment in a manner that is consistent with the *reliable* operation of the *IESO-controlled grid* and shall assist the *IESO* in the discharge of its responsibilities relating to *reliability*. Such obligation shall include, but not be limited to, the following:

3.5.1.3 promptly complying with the *IESO's* directions, including directions to disconnect equipment from the *IESO-controlled grid* for *reliability* purposes, unless the *connected wholesale customer* reasonably believes that following the *IESO's* direction poses a real and substantial risk of endangering the safety of any person, damaging to its equipment, to the safety of its employee or the public, or violating any applicable law of undue injury to the environment. In all cases where the *connected wholesale customer* does not intend to follow the *IESO's* directions for any such reasons, it shall promptly notify the *IESO* of this fact and shall nonetheless comply with the *IESO's* directions to the fullest extent possible without causing the harms described above; and

### 3.6 Obligations of Generators (Embedded and Non-embedded)

3.6.1 Each *generator* that participates in the *IESO-administered markets* or that causes or permits electricity to be conveyed into, through or out of the *IESO-controlled grid* shall operate and maintain its *generation facilities* and equipment in a manner that is consistent with the *reliable* operation of the *IESO-controlled grid* and shall assist the *IESO* in the discharge of its responsibilities related to *reliability*. Such obligation shall include, but not be limited to, the following:

3.6.1.6 promptly complying with the *IESO's* directions, including directions to disconnect equipment from the *IESO-controlled grid* for *reliability* purposes, unless the *generator* reasonably believes that following the *IESO's* direction poses a real and substantial risk of endangering the safety of any person, damaging of damage to its equipment, to the safety of its employee or the public, or violating any applicable law of undue injury to the environment. In all cases where the *generator* does not intend to follow the *IESO's* directions for any such reasons, it shall promptly notify the *IESO* of this fact and shall nonetheless comply

with the *IESO's* directions to the fullest extent possible without causing the harms described above; and

### 3.7 Obligations of Distributors

3.7.1 Each *distributor* shall operate and maintain its distribution *facilities* and equipment in a manner that is consistent with the *reliable* operation of the *IESO-controlled grid* and shall assist the *IESO* in the discharge of its responsibilities relating to *reliability*. Such obligation shall include, but not be limited to, the following:

3.7.1.5 promptly complying with the *IESO's* directions, including directions to *disconnect facilities* or equipment from the *IESO-controlled grid* or its *distribution system* for *reliability* purposes, unless the *distributor* reasonably believes that following the *IESO's* direction poses a real and substantial risk of endangering the safety of any person, damaging damage to its equipment, to the safety of its employee or the public, or violating any applicable law of undue injury to the environment. In all cases where the *distributor* does not intend to follow the *IESO's* directions for any such reasons, it shall promptly notify the *IESO* of this fact and shall nonetheless comply with the *IESO's* directions to the fullest extent possible without causing the harms described above;

## 6. Outage Coordination

### 6.1 Introduction

6.1.6 No *market participant* shall remove equipment or *facilities* from service except in accordance with this section 6 unless such removal from service is necessary to ensure the safety of any person, prevent the damage of equipment to the market participant's equipment or facilities or to protect the safety of employees, the public or prevent the violation of any applicable law the environment. If any equipment or *facilities* are removed from service for these reasons, the *market participant* shall promptly notify the *IESO*.

## 10.5 Generator Obligations During Abnormal Frequency

10.5.3 No *generator* shall be precluded by the restoration actions referred to in section 10.5.2 from taking action for the purpose of ensuring the safety of any person, preventing the damage of equipment, protecting the safety of its equipment, its employees, the public or preventing the violation of any applicable

~~lawthe environment~~. Any such directives shall be immediately reported to the *IESO*.

## Appendix 5.1

1.5.6 A generator operating a *certified black start facility* shall make efforts consistent with *good utility practice* to comply with a direction from the *IESO* to deliver power without assistance from the electrical system unless:

1.5.6.1 the *certified black start facility* is on an *outage*, which *outage* is not a removal of the *certified black start facility* from service caused by the de-energization of the electrical network to which the *certified black start facility* is connected, or

1.5.6.2 where to do so would endanger the safety of any person, damage equipment, ~~harm the environment~~ or violate any ~~applicable law~~ applicable law, regulation, or operating limit.

## Chapter 7

### 3.3 Dispatch Data Submissions

#### IESO Approvals of Revised Dispatch Data

3.3.6 Where pursuant to section 3.3.5, the approval of the *IESO* is required for the submission of revised *dispatch data*, the *IESO* shall, unless the change in quantity poses risks in relation to the *reliability* or *security* of the *electricity system*, approve the submission of revised *dispatch data* where:

3.3.6.1 [Intentionally left blank – section deleted]

3.3.6.2 [Intentionally left blank – section deleted]

3.3.6.3 the *registered market participant* indicates, at the time of the submission of the revised *dispatch data*, that the revision is required in order to reflect a proposed change in the operational status of the *registered facility* designed solely to prevent the *registered facility* from operating in a manner that would endanger the safety of any person, damage equipment, or violate any ~~applicable law, endanger the safety of any person or damage property or the environment~~.

The *IESO* may refer such changes or revision of *dispatch data* to the *market surveillance panel*.

## Chapter 10

### 2.3 Arranging for Transmission Service and Dispatch

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- 2.3.2 *Energy and ancillary service* transactions, including import and export transactions, using the *IESO-controlled grid* shall be subject to *dispatch* by the *IESO*:
- 2.3.2.1 in accordance with the procedures for dispatching *generation facilities, dispatchable loads* and *boundary entities*, based on the *offers, bids* and *self-schedules* submitted by *market participants* pursuant to Chapter 7 or in accordance with the terms of applicable *contracted ancillary services* contracts; and
  - 2.3.2.2 in circumstances where the *IESO* determines that *curtailment* is necessary to protect the *reliability* of the *IESO-controlled grid* or the *integrated power system* or to [ensure the safety of any person, prevent the damage of equipment](#)~~prevent injury or damage to persons, facilities~~ or [to prevent the violation of any applicable law](#)~~the environment~~ pursuant to Chapter 5.

#### PART 5 – IESO BOARD DECISION RATIONALE

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