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## Market Rule Amendment Written Submission

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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](mailto: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: <u>AMPCO</u>	
(if applicable) <i>Market Participant / Metering Service Provider</i> No. <sup>1</sup> :	<i>Market Participant Class</i> : <u>Wholesale Consumers</u>
Telephone: <u>(416) 260-0280</u>	Fax: _____
E-mail Address: _____	

### PART 2 – MARKET RULE AMENDMENT REFERENCE

<b>Type of Rule Amendment Being Commented on</b> (please indicate with x):	
<input type="checkbox"/> Amendment Submission	<input checked="" type="checkbox"/> Proposed Rule Amendment
<input type="checkbox"/> Recommended Rule Amendment	
<b>MR Number:</b> <u>MR-00416-R03: Non-Performance Charges &amp; Settlement</u>	
This <i>Market Rule</i> number is located on the “Current Market Rule Amendment” web page.	
<b>Date Relevant Amendment Submission, Proposed or Recommended Rule Amendment Posted for Comment:</b> <u>August 13, 2015</u>	

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<sup>1</sup> 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.

AMPCO is supportive of the efforts of the IESO to introduce and grow a demand supply market in Ontario however the proposed Market Rule amendment gives substantial latitude to the IESO to levy non-performance charges associated with Demand Supply commitments in accordance with Market Manual content yet to be finalized. It is incumbent that anticipated content to the proposed Market Manual be considered in concert with this Market Rule change even though the Market Manual content is not a part of the Market Rule content itself. Notable is the fact that the Demand Response stakeholder group submitted a significant number of recommendations and comment with little change to the proposed IESO program.

Of particular note regarding the anticipated Market Manual content concerning non-performance charges are the following:

1. Non-performance charges are proposed to be levied without consideration for cause. Specific detail on how this philosophy is to be exercised for each non-performance charge is not provided.
2. While feedback in the stakeholder engagement material indicated allowance for non-compliance with dispatch orders would consider events related to safety, damage of equipment, or violation of any applicable law or regulation there is no clarification regarding application of such allowances for all proposed non-performance charges.
3. There also appears to be no consideration for events beyond a participant's control, including Force Majeure situations as discussed at the last TP meeting. While it may be argued that any such event regardless of cause will cause additional cost to the market to replace the demand commitment such treatment appears contrary to the Market Rules provisions for Force Majeure situations afforded other participants.
4. In addition it was a consensus at the stakeholder group sessions (IESO excepted) that availability penalties levied against demand response participants that were already self-dispatched down for legitimate business reasons, including preemptive response to the IESO's ICI program, should not incur the same level of non-availability penalties as those participants that simply ignored any dispatch order through the availability period. The IESO's response on this matter that supported the status proposal, did not adequately address situations of reduced penalty factors for this situation (as does current CBDR rules), potential conflicts with other market offerings such as ICI, nor did it consider the potential negative effect to the market's demand supply situation from unwanted market participants' action to avoid availability charges.

In keeping with commitments regarding transparency Market Manual content regarding application of non-performance charges needs to be fully disclosed and stakeholdered prior to the TP vote on the Market Rule change regarding non-compliance charges.

**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: