



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: Ontario Power Generation – David Peterson

(if applicable) *Market Participant / Metering Service Provider* No.¹: 102200

Market Participant Class:
Generator

Telephone: 416-592-3081

Fax: _____

E-mail Address: david.peterson@opg.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-00423 Limiting Constrained-Off Congestion Management Settlement

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: July 8, 2015

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.

OPG does not support this proposed market rule amendment that seeks to recover all congestion management settlement credits (CMSC) attributable to a constrained off event associated with an energy offer or an energy bid. The basis of this proposed amendment is that some of these intertie offers or bids are not appropriate and were submitted to the market with no intention of actually flowing the associated energy. OPG does not engage in nor support the use of this offer/bid behavior. OPG further believes that the IESO already has sufficient means to address this issue without a broad market rule change. The IESO should identify the unacceptable behavior and seek voluntary cooperation on this matter from any participants that do engage in this behavior. In addition, the IESO could simply enforce the provisions contained in Chapter 1, s.10A of the Market Rules (General Conduct Rule).

The implementation of this rule amendment will eliminate CMSC payments associated with this behavior but, because of the broad application of this rule change, it will also eliminate legitimate CMSC payments, as the IESO has acknowledged. However, CMSC payments are an important component of the two-schedule system used in Ontario¹.

This proposed market rule amendment will also impact other areas of the market such as the market price. The IESO acknowledges “there may be some potential adverse efficiency consequences”².

The proposed rule amendment will stop the CMSC payments that the MSP indicates are inappropriate but this overly broad rule change will also result in unintended impacts that cannot be easily corrected. For this reason, OPG does not support the rule amendment.

In general, OPG does not believe that market rule changes should be used to address problems with market participant behaviors, rather they should be used to correct flaws or short-comings in the market. The payment of CMSCs to market participants for constrained events is not a flaw, but an integral part of the IESO’s market that returns a participant to its operating profit under these constrained events. This is a behavioral issue that should be addressed through other, more appropriate means.

¹ At the July 7, 2015 Technical Panel meeting, Darren Matsugu stated that CMSC payments are a necessary component of a two-schedule market system.

² http://www.ieso.ca/Documents/consult/ACOP/ACOP-20150624-IESO_Response.pdf

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:

PART 4 – EXTERNAL CONSULTATION MEETING