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## Market Rule Amendment Submission

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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](mailto: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.*<sup>1</sup>: N/A

*Market Participant Class:*  
N/A

Telephone: 905-403-6983

Fax: 905-855-6371

E-mail Address: [rule.amendments@ieso.ca](mailto:rule.amendments@ieso.ca)

### PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: Confidentiality

Title: Treatment of Confidential Information Related to Reliability Based Power System Studies and Transmission Service Charges

Nature of Request (please indicate with x)

Alteration       Deletion       Addition       Clarification

Chapter: 3      Appendix: N/A      Sections: 5.3

Sub-sections proposed for amending/clarifying: 5.3.1.13 (new), 5.3.5.1, 5.3.10 (new)

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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 – 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 explicitly allow the IESO to share reliability based confidential information directly to, or to a consultant of, a market participant, a connection applicant, or a person planning on constructing or modifying a facility for the purposes of completing reliability based power system studies.

In addition, it is proposed to eliminate the requirement for the IESO to advise every market participant affected by the disclosure of confidential information to an Ontario transmitter where such disclosure is required for transmitters to manage, operate and maintain their transmission system in a safe and reliable manner or for the reconciliation of applicable transmission service charges.

#### Background

##### Disclosure of Confidential Information for Reliability Based Power System Studies:

Reliability based power system studies may be required to be completed in advance of any connection application to the IESO, or as part of a formal application to the IESO. The IESO's connection assessment and approval (CAA) process requires reliability based power system studies to assess the impact of new or modified connections on the reliability to the integrated power system.

As part of the CAA process, connection applicants may choose to conduct the reliability based power system studies to determine project details for their connection applications. Moreover, connection applicants may be requested by the IESO to provide additional project detail which requires conducting reliability based power system studies. Connection applicants may conduct these reliability based power system studies themselves or hire a third-party consultant to do so rather than having the IESO conduct these studies. In this case, the IESO must share certain confidential modelling information of the integrated power system to enable connection applicants to complete reliability based power system studies.

It may also be the case that a person planning to construct or modify a facility will wish to conduct, or hire a consultant to conduct, a reliability based power system study prior to becoming a connection applicant to streamline the connection application, or to determine whether a connection application should even be submitted. The IESO supports the sharing of confidential information to potential connection applicants or their consultant as it makes the overall CAA process more efficient. The IESO also supports sharing the "basecase" digital electrical model with market participants for reliability based power system studies for reasons approved by the IESO. The IESO will have sole discretion whether to disclose the "basecase" digital electrical model of the ICG, and the ability to deny requests for this information as it deems appropriate.

Confidentiality of reliability based modelling information used for power system studies is ensured through a non-disclosure agreement (NDA) directly with, or with the consultant of, the market participant, the connection applicant, or the person planning to construct or modify a facility such that the confidential information must be treated as confidential, is only used for the purposes of completing a reliability based power system study, and is destroyed or returned to the IESO upon completion.

### PART 3 – DESCRIPTION OF THE ISSUE

After the NDA is signed, the IESO shares a “basecase” (dynamic and load flow models), which is a digital electrical-model of the IESO-controlled grid (ICG). Without the disclosure of this confidential modelling information, completion of connection activities for new or current market participants will be partially or completely hindered.

#### Clarification of Confidentiality Rules:

Currently, it is uncertain whether the existing market rules under Chapter 3, section 5 “Accessibility and Confidentiality of Information” allows for the disclosure of a “basecase” directly with, or with the consultant of, a market participant, a connection applicant or a person planning to construct or modify a facility, even with the execution of an NDA with the IESO. The proposed market rule amendments will clarify, and explicitly allow the IESO to share such confidential information directly with, or with the consultant of, a market participant, a connection applicant, or a person planning to construct or modify a facility (who may or may not be a market participant) for the sole purpose of conducting reliability based power system studies, and further specify requirements within the NDA to ensure confidentiality is maintained.

#### Disclosure of Confidential Information to Transmitters:

Existing market rule section 5.3.1.8a of Chapter 3 allows the IESO to share confidential information with a transmitter, in circumstances where the disclosure is required for a transmitter to manage, operate and maintain its transmission system in a safe and reliable manner, in accordance with the operating agreement between the IESO and the transmitter. When requested, the IESO makes confidential information available to transmitters in the form of a “basecase” (load flow and dynamic models) representing the ICG. This information is required for transmitters to plan the safe operation of their equipment and to help maintain the reliability of the ICG. The disclosure is part of the ongoing relationship transmitters share with the IESO due to their integral role in maintaining the reliability of the ICG and operating the transmission system.

Section 5.3.1.8b allows the IESO share confidential information with a transmitter for the purposes of reconciling applicable transmission service charges. The IESO provides participant data in the form of transmission charge information, coincident peak and non-coincident peak data to the transmitters every month, which allows transmitters to reconcile and verify transmission service charges. Market Manual 5.5, section 1.3.3 – “Data Files for Transmission Service Charges” specifies the sharing of this information to transmitters.

For purposes of section 5.3.1.8 (a and b), existing section 5.3.5 of Chapter 3 requires that the IESO notify any market participant that is affected by the disclosure of confidential information to a transmitter, “as soon as is reasonably practicable in the circumstances.” All modeled loads and generators in Ontario are affected by the disclosure of a “basecase” electrical model to a transmitter, and all market participants who transact energy on the transmission system are affected by the disclosure of confidential information required to reconcile applicable transmission service charges. The notification to all modelled loads and generators creates an administrative burden on the IESO which can interfere with the IESO’s ability to provide other services related to facility registration and connection assessments. Based on past experience, the notification to market participants also appears immaterial and unnecessary, as it does not appear to impact day-to-day operations or disadvantage any market participant. Similarly, the notification to market participants with regard to the reconciliation of transmission service charges creates a similar administrative burden on a monthly basis. Therefore, the IESO is proposing to eliminate this notification requirement when disclosing confidential information to transmitters pursuant to section 5.3.1.8. For purposes of section 5.3.1.8a, the elimination of the

**PART 3 – DESCRIPTION OF THE ISSUE**

notification requirement will also create consistency with the IESO’s existing ability to share similar confidential information with interconnected transmitters external to Ontario (section 5.3.1.10 of Chapter 3), without the requirement to notify all affected market participants.

**PART 4 – PROPOSAL (BY SUBMITTER)**

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

Amend the market rules to explicitly allow the IESO to share reliability based confidential information directly to, or to a consultant of, a market participant, a connection applicant, or a person planning on constructing or modifying a facility for the purposes of completing reliability based power system studies.

Eliminate the requirement for the IESO to advise every market participant affected by the disclosure of confidential information to an Ontario transmitter where such disclosure is required for transmitters to manage, operate and maintain their transmission system in a safe and reliable manner or for the reconciliation of applicable transmission service charges.

**PART 5 – FOR IESO USE ONLY**

*Technical Panel Decision on Rule Amendment Submission:* Warrants Consideration

MR Number: MR-00426

Date Submitted to *Technical Panel*: April 19, 2016

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

General  Urgent  Minor April 26, 2016

Criteria for Acceptance: The amendment submission addresses ambiguity and confusion in the market rules and better enables the market to satisfy the design principle of reliability by allowing participants to fulfill their roles in the marketplace without imposing undue restrictions.

Priority: Regular

Criteria for Assigning Priority: The reliability based confidential information is required by parties in order to complete reliability based power system studies.

Not Accepted (please indicate with x):

Clarification/Interpretation Required (please indicate with x):

*Technical Panel Minutes Reference:* IESOTP 297-1

*Technical Panel Comments:* \_\_\_\_\_