



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00392		
Subject:	Revenue Metering System Replacement Project		
Title:	Remove Provisions for Physical Allocation Data		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input checked="" type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	3, 6, 8, 9, 11	Appendix:	9.1
Sections:	Ch 3 – 6.3.5, Ch 6 – 2.1.1, 2.1.2, 2.1.3, 12.1.1, Ch 8 – 2.3.1.1, Ch 9 – 2.1.4, 2.1.6, 2.1A.4, 2.1A.13.1, 2.4, 3.1.9, 4.7B.1.1, 6.5.3.1A, 6.5.3.1B, 6.6.2A, Appendix 9.1 – 1.1.2 Ch 11 definitions		
Sub-sections proposed for amending:	Various		

PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Draft for Technical Panel review	February 21, 2012
2.0	Draft for Technical Panel review	March 20, 2012
3.0	Submitted for Technical Panel Vote	April 17, 2012
4.0	Recommended by Technical Panel; Submitted for IESO Board Approval	April 24, 2012
5.0	Approved by IESO Board	June 14, 2012
Approved Amendment Publication Date:		June 14, 2012
Approved Amendment Effective Date:		July 6, 2012

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

It is proposed to amend the market rules to remove all references and provisions relating to physical allocation data (PAD) which will alleviate the need to incorporate the functionality in the upcoming replacement of the Revenue Metering System (RMS).

Background

Refer to MR-00390-Q00

Discussion

Physical Allocation Data

PAD was initially implemented in the market rules to serve local distribution companies and enable retailers and unmetered entities to participate in the market. PAD has been used by market participants only once since market opening as there are other commercial means to achieve the desired results. That one use of PAD by market participants was in June of 2006 to allocate quantities between two local distribution companies for a 30 hour period. The minimal and lack of recent use of this provision does not warrant the cost to the market of procuring the functionality within the RMS replacement project.

As a result it is proposed to remove all PAD provisions and references from the market rules and replace all applicable sections with “[Intentionally left blank – section deleted].” Italicize Multiple Defined Terms

In addition to the above amendment the following sections require italicization of multiple defined terms:

Chapter 9, section 2.1A.4, italicize:

- Settlement and connected.

Chapter 9, section 3.1.9, italicize:

- Primary RWM, operating results, self-scheduled, transitional scheduling generators, intermittent generators, and settlement.

Chapter 9, section 6.6.2A.1, italicize:

- Physical bilateral contract data.

PART 4 – PROPOSED AMENDMENT

Chapter 3

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6.3 Events of Default

- 6.3.5 ~~Where the IESO issues a notice of intent to suspend under section 6.3.3.1 or a suspension order under sections 6.3A.1.1 and 6.3A.1.2 to a market participant, the IESO shall deem any physical allocation data that relates to the market participant under section 2.4.5 of Chapter 9 to be zero for the period from the date an event of default occurs until it is remedied. [Intentionally left blank – section deleted]~~
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Chapter 6

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2. Requirements for Metering Installations

- 2.1.1 Subject to sections ~~2.1.3 and~~ 2.1.5, the IESO shall not permit a person to participate in the *real-time markets* or the *procurement markets* or to cause or permit electricity to be conveyed into, through or out of the *IESO-controlled grid* in respect of a *connection point*, other than an *interconnection*, or in respect of an *embedded connection point* unless the IESO is satisfied that:
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- 2.1.2 ~~Subject to section 2.1.3, the~~ The IESO shall refuse to permit a person to participate in the *real-time markets* or the *procurement markets* or to cause or permit electricity to be conveyed into, through or out of the *IESO-controlled grid* in respect of any *connection point*, other than an *interconnection*, or an *embedded connection point* if the conditions set forth in section 2.1.1 are not satisfied. Such refusal is a *reviewable decision*.

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- 2.1.3 ~~Section 2.1.1 and 2.1.2 shall not apply in respect of a person, other than a person that is or will be the metered market participant for a metering installation, that demonstrates to the satisfaction of the IESO that it will for settlement purposes have allocated to it metering data by means of physical allocation data submitted by a metered market participant in accordance with section 2.4 of Chapter 9. [Intentionally left blank – section deleted]~~
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12. Evolving Technologies and Processes and Development of the Market

- 12.1.1 Subject to any restrictions imposed by *federal metering requirements*, a *metered market participant* may use or permit the use of evolving technologies or processes that:
- 12.1.1.1 meet or exceed the performance and functional requirements set forth in this Chapter or in any policy or standard established by the *IESO* pursuant to this Chapter; or
 - 12.1.1.2 facilitate the efficient development of the *IESO-administered markets*;² if agreed between the *metered market participant*, ~~any market participant in respect of whom the metered market participant is submitting physical allocation data~~, the relevant *transmitter* or *distributor*, as the case may be depending on the owner of the *facilities* to which the *facility* in respect of the relevant *metering* installation is connected, and the *IESO*.
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Chapter 8

2.3 The Form of Bilateral Contract Data

- 2.3.1 Subject to section 2.3.2, a *selling market participant* shall submit *physical bilateral contract data* in a form that has been approved by the *IESO*. Such *IESO*-approved forms shall include, but are not limited to, data files containing either of the following:
- 2.3.1.1 indication that the quantity of *energy* that the *selling market participant* is selling to a designated *buying market participant* in each

hour, is 100% of the applicable *market participant's metering data*, ~~adjusted and summed in accordance with section 2.4.3 of Chapter 9 and determined without regard to any physical allocation data,~~ at the location designated in the *physical bilateral contract data* pursuant to section 2.2.1, provided that:

- a. such location is one referred to in section 2.2.1.1; and
- b. either the *selling market participant* or the *buying market participant* is the *metered market participant* in respect of the *RWM* or *RWMs* associated with such location; or

2.3.1.2 [Intentionally left blank]

2.3.1.3 the quantity of *energy*, in MWh, that the *selling market participant* is selling to the *buying market participant* in each hour at the location designated in the *physical bilateral contract data* pursuant to section 2.2.1.

Chapter 9

2.1 Metering and Metering Responsibilities

2.1.4 ~~A metered market participant may, with respect to each RWM for which it is the metered market participant, submit physical allocation data to the IESO in accordance with section 2.4. If any quantity determined by metering data is not allocated to any other market participant by proper application of physical allocation data provided to the IESO by the metered market participant for that RWM, such quantity shall for settlement purposes be allocated by the IESO to that metered market participant as set forth in section 2.4.4.~~[Intentionally left blank – section deleted]

2.1.6 ~~Each market participant registered as the registered market participant responsible for a registered facility shall designate to the IESO a single metered market participant responsible for submitting to the IESO the physical allocation data permitted by this Chapter with respect to that registered facility.~~[Intentionally left blank – section deleted]

2.1.6.1 [Intentionally left blank]

2.1.6.2 [Intentionally left blank]

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2.1A.4 For **settlement** purposes, *connection station service* shall be treated as follows:

2.1A.4.1 where the *energy consumption* associated with *connection station service* is included in the *energy consumption* measured by an *RWM*, the sum of the *energy* associated with that *connection station service* and with site specific losses shall be apportioned:

- a. amongst those *market participants* whose facilities are **connected** to the relevant *connection facility* in the proportions provided by the *metering service provider* for that *RWM*, and the provision of such proportions shall constitute certification by such *metering service provider* that such proportions have been agreed between the *metering service provider* and all *market participants* whose facilities are **connected** to the relevant *connection facility*; ~~or~~
- b. ~~where the metering service provider has not provided the proportions referred to in section 2.1A.4.1(a), to the metered market participant for that RWM in accordance with section 2.4.4; or~~ [Intentionally left blank – section deleted]

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2.1A.13 For the purposes of section 2.1A.9.1, a *generation facility* may be designated by the *IESO* as an eligible *generation facility* where the *generation facility*:

2.1A.13.1 is comprised of two or more *registered facilities*:

- a. ~~whose metering data is not summed to a single value pursuant to the process described in section 2.4.3; and~~ [Intentionally left blank – section deleted]
- b. that have the same *metered market participant*; ~~or~~

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2.4 ~~Collection of Physical Allocation Data~~ [Intentionally left blank – section deleted]

~~Rule Note:~~

~~1. [Intentionally left blank]~~

2.4.1 ~~Each metered market participant that is eligible to do so pursuant to section 2.4.5 may, for each RWM with respect to which it is the metered market participant,~~

~~submit to the IESO physical allocation data for allocating metering data among market participants. Such physical allocation data shall be submitted in the form and on the schedule described in the applicable market manual. [Intentionally left blank – section deleted]~~

2.4.1.1 [Intentionally left blank]

2.4.1.2 [Intentionally left blank]

2.4.1.3 [Intentionally left blank]

2.4.1.4 [Intentionally left blank]

2.4.2 ~~The IESO shall be entitled to and shall rely on the physical allocation data received from a metered market participant for the purpose of allocating metering data and associated settlement amounts and, notwithstanding section 13 of Chapter 4: [Intentionally left blank – section deleted]~~

2.4.2.1 ~~the IESO shall not be liable to any person in respect of the allocation of: [Intentionally left blank – section deleted]~~

a. ~~any metering data when effected in accordance with such physical allocation data; or [Intentionally left blank – section deleted]~~

b. ~~any settlement amounts calculated on the basis of such physical allocation data; and [Intentionally left blank – section deleted]~~

2.4.2.2 ~~the metered market participant providing the IESO with such physical allocation data shall indemnify and hold harmless the IESO in respect of any and all claims, losses, costs, liabilities, obligations, actions, judgements, suits, costs, expenses, disbursements and damages incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the IESO arising from the allocation by the IESO of metering data in accordance with such physical allocation data or from the allocation by the IESO of any associated settlement amounts; [Intentionally left blank – section deleted]~~

~~provided that nothing in this section 2.4.2 shall be construed as affecting the liability of the IESO in respect of the conduct of the adjustment and summation activities referred to in section 2.4.3.~~

2.4.3 ~~Prior to the application of any physical allocation data received from a metered market participant, the metering data from each RWM that is the subject of the physical allocation data shall be: [Intentionally left blank – section deleted]~~

2.4.3.1 ~~adjusted by the IESO in accordance with section 4.2.3 of Chapter 6; and [Intentionally left blank – section deleted]~~

- 2.4.3.2 ~~summed with metering data from all other applicable RWMs in accordance with the applicable totalization table comprised in the relevant meter point documentation submitted in respect of the RWM pursuant to section 1.3 of Appendix 6.5 of Chapter 6. [Intentionally left blank – section deleted]~~
- 2.4.4 ~~Metering data from one or more RWMs, adjusted and summed in accordance with section 2.4.3, shall be attributed to the metered market participant for the applicable RWM or RWMs unless the metered market participant submits to the IESO physical allocation data with respect to such metering data [Intentionally left blank – section deleted]~~
- 2.4.5 ~~A metered market participant for an RWM or RWMs shall not submit physical allocation data in respect of such RWM or RWMs unless: [Intentionally left blank – section deleted]~~
- 2.4.5.1 ~~the metered market participant for such RWM or RWMs is a distributor and submits physical allocation data providing for the allocation of such metering data to: [Intentionally left blank – section deleted]~~
- a. ~~another market participant that is a retailer; [Intentionally left blank – section deleted]~~
 - b. ~~another market participant that is a transmitter; [Intentionally left blank – section deleted]~~
 - c. ~~an embedded market participant whose facility is embedded within the metered market participant's distribution system; or [Intentionally left blank- section deleted]~~
 - d. ~~another market participant that is a distributor whose distribution system is neighbouring on that of the metered market participant, provided that the physical allocation data represents the flow of energy between such distribution system and the metered market participant's distribution system; or [Intentionally left blank – section deleted]~~
- 2.4.5.2 ~~the RWM or RWMs are associated with a registered facility other than a distribution system and the metered market participant for such RWM or RWMs provides physical allocation data for the allocation of such metering data to another market participant; [Intentionally left blank – section deleted]~~

~~and, subject to section 2.4.6, the metered market participant submitting the physical allocation data demonstrates to the IESO, in the manner described in the applicable market manual, that the other market participant to whom such physical allocation data relates has consented to the attribution to it of such metering data.~~

- 2.4.6 ~~The last paragraph of section 2.4.5 shall not come into force until the date that is the first day of the seventh calendar month following the *market commencement date*, calculated from the first day of the calendar month immediately following the month in which the *market commencement date* occurs.~~[Intentionally left blank – section deleted]
- 2.4.7 ~~A *metered market participant* that is eligible to submit *physical allocation data* pursuant to section 2.4.5 may, with respect to each *RWM* for which it is the *metered market participant*, submit a data file containing non-negative percentage values which are:~~[Intentionally left blank – section deleted]
- 2.4.7.1 ~~individually, each less than or equal to 100%; and~~[Intentionally left blank – section deleted]
- 2.4.7.2 ~~in the aggregate also less than or equal to 100%;~~[Intentionally left blank – section deleted]
- ~~indicating the fraction of the *metering data*, adjusted and summed in accordance with section 2.4.3, that is to be allocated to each *market participant* in each *metering interval*. Such data file must be provided to the *IESO* in advance of operation, on the schedule described in the applicable *market manual*.~~
- 2.4.8 ~~If all *metering data* in respect of a given *RWM* or *RWMs*, adjusted and summed in accordance with section 2.4.3, is to be attributed to a single *market participant*, the *metered market participant* for the applicable *RWM* or *RWMs* may submit to the *IESO* a standing declaration to that effect provided that such *metered market participant* is eligible to submit *physical allocation data* in accordance with section 2.4.5.~~[Intentionally left blank – section deleted]
- 2.4.9 ~~A *metered market participant* that is eligible to submit *physical allocation data* pursuant to section 2.4.5 may, with respect to each *RWM* for which it is the *metered market participant*, submit a data file indicating the absolute amount of each physical quantity included in the *metering data*, not exceeding the quantity resulting from the application of the processes described in section 2.4.3, to be allocated to each *market participant*. Such data file shall be provided to the *IESO* in preliminary form within 2 *business days* after the *dispatch day* to which it applies, and in final form within 6 *business days* after such *dispatch day*. Where the aggregate quantity indicated in such data file is not equal to the quantity resulting from the application of the processes described in section 2.4.3, the *IESO* shall:~~[Intentionally left blank – section deleted]
- 2.4.9.1 ~~where the aggregate quantity indicated in such data file is less than the quantity resulting from the application of the processes described in section 2.4.3, attribute the difference to the *metered market participant*; or~~[Intentionally left blank – section deleted]

- 2.4.9.2 ~~where the aggregate quantity indicated in such data file is greater than the quantity resulting from the application of the processes described in section 2.4.3, disregard the data file and allow the metered market participant to resubmit it such that: [Intentionally left blank – section deleted]~~
- ~~the resulting aggregate quantity is less than or equal to the quantity resulting from the application of the processes described in section 2.4.3; and [Intentionally left blank – section deleted]~~
 - ~~the resubmission of the file is consistent with the form and schedule described in section 2.4.1. [Intentionally left blank – section deleted]~~
- 2.4.10 ~~Any settlement amount that is realised or avoided by a metered market participant solely as a result of the submission of physical allocation data pursuant to this section 2.4 may be considered by the IESO as a benefit within the meaning of section 6.6.7 of Chapter 3 for purposes of the application of section 6.6.12 of that Chapter when fixing the amount of a financial penalty imposed in respect of the metered market participant's failure to follow dispatch instructions during such time as such physical allocation data was in effect. [Intentionally left blank – section deleted]~~
- 2.4.11 ~~If the IESO issues a notice of intent to suspend or a suspension order to a market participant that has been allocated metering data under section 2.4.5, section 6.3.5 of Chapter 3 shall apply and the IESO shall notify any market participant who has allocated metering data to the market participant who is the subject of the IESO's actions. [Intentionally left blank – section deleted]~~

- 3.1.9 The IESO shall determine the following allocated physical quantities for each market participant for each **primary RWM** and each *intertie metering point* using metering data, **operating results**, ~~physical allocation data submitted by metered market participants~~ and interchange schedule data. If physical quantities are provided only for each *settlement hour* (as they may be for *interchange schedules*, *non-dispatchable loads*, **self-scheduled generation facilities**, **transitional scheduling generators** and **intermittent generators**), the IESO shall, if necessary for **settlement** purposes, determine the interval amounts defined below by dividing the hourly amounts into twelve equal interval amounts:

$AQEI_{k,h}^{m,t}$ = allocated quantity (in MWh) of energy injected by market participant 'k' at primary or intertie metering point 'm' in metering interval 't' of settlement hour 'h'

$AQEW_{k,h}^{m,t}$ = allocated quantity (in MWh) of energy withdrawn by market participant 'k' at primary or intertie metering point 'm' in metering interval 't' of settlement hour 'h'

$AQOR_{r,k,h}^{m,t}$ = allocated quantity (in MW) of *class r* reserve for *market participant* 'k' at *primary* or *intertie metering point* 'm' in *metering interval* 't' of *settlement hour* 'h'

$AQCR_{k,h}^{m,t}$ = allocated *capacity reserve quantity* (in MW) for *market participant* 'k' at *primary* or *intertie metering point* 'm' in *metering interval* 't' of *settlement hour* 'h'

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4.7B Real-Time Generation Cost Guarantee Payments

4.7B.1 The *IESO* shall determine on a *per-start* basis, for each *generation facility* that has met the eligibility criteria for the real-time generation cost guarantee specified in sections 2.2, 5.7 and 6.3A of Chapter 7, the following:

4.7B.1.1 the sum of the following revenues earned in each *dispatch interval* during the period from synchronisation until the end of the *minimum generation block run-time* or the end of the *minimum run-time*, whichever comes first:

- a. *energy market* prices multiplied by the sum of the applicable AQEI ~~and any applicable physical allocation data,~~ for *energy* injected up to and including the *minimum loading point*; and
- b. any congestion management *settlement* credit payments resulting from the *facility* being constrained on in order to meet its *minimum loading point*; ~~and.~~

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6.5 Preliminary Statement Coverage

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6.5.3 The *preliminary settlement statements* referred to in section 6.5.2A shall be in electronic format and shall set forth, for the *market participant* to whom the *preliminary settlement statement* is issued and referenced by applicable *charge type*:

- 6.5.3.1 the *energy* injected or withdrawn by each of that *market participant's* *registered facilities* as determined in each of:
- a. the *market schedule*; and
 - b. the *real-time schedule*;
 - c. [Intentionally left blank]

- 6.5.3.1A the allocated quantities of *energy* withdrawn or injected by each of that *market participant's registered facilities*; ~~to the extent that such quantities have not otherwise been allocated to another *market participant* through the allocation process described in section 2.4, where applicable;~~
- 6.5.3.1B ~~the allocated quantities of *energy* withdrawn or injected which have been allocated to that *market participant* through the allocation process described in section 2.4, where applicable;~~ Intentionally left blank – section deleted

6.6 Validation of Preliminary Settlement Statement

6.6.2A Where a *notice of disagreement* includes a proposed adjustment to:

- 6.6.2A.1 physical bilateral contract data; or
- 6.6.2A.2 ~~physical allocation data; or~~ Intentionally left blank – section deleted
- 6.6.2A.3 any data of a comparable nature which may be identified by the *IESO* from time to time,

the *IESO* shall notify any other *market participant* to whom items 6.6.2A.1; ~~6.6.2A.2~~, or 6.6.2A.3 relates of such proposed adjustment prior to taking any action under section 6.6.6.

Appendix 9.1 – VEE Process

1.1 Introduction and Interpretation

- 1.1.1 This Appendix sets forth the obligations of the *IESO* and of *metered market participants* with respect to the validation, estimation and editing of *metering data*.
- 1.1.2 ~~This Appendix does not apply to *physical allocation data*.~~ Intentionally left blank – section deleted
- 1.1.3 For the purposes of this Appendix, a reference to an interval means:

- 1.1.3.1 in the case of a *metering installation* that collates *metering data* by *metering intervals*, a *metering interval*; and
- 1.1.3.2 in all other cases, such multiple of *metering intervals* for which the *metering installation* collates *metering data*.

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Chapter 11

~~*physical allocation data* means data describing how quantities at an *RWM* are to be allocated between market participants;~~

PART 5 – IESO BOARD DECISION RATIONALE

This amendment removes all references and provisions relating to physical allocation data (PAD) which will alleviate the need to incorporate the functionality in the upcoming replacement of the Revenue Metering System (RMS).