



IMO Staff Recommendation to Panel on Exemption Application (General)

PART 1 – GENERAL INFORMATION

Market Participant Name: **Great Lakes Power Limited -Distribution Division, Great Lakes Power Limited - Transmission Division, Great Lakes Power Limited - Generation Division (GLP).**

Location/Site: Various across the Province

Exemption Application ID: 01-1187

Market Participant ID:

PART 1 – GENERAL INFORMATION

Description of Exemption Requested: GLP is requesting an exemption from obligations to comply with:

- a) the Market Rules Chapter 6 Section 4.1.1.4
- b) the Wholesale Revenue Metering Standard – Hardware Version 1.0 Section 6.12.6
- c) the Market Rules Chapter 6 Appendix 6.2 section 1.7

at the following delivery points for up to 6 years from the market commencement date:

106186, 106176, 106193, 106194, 106180, 106192, 106170, 106171 and 106172.

Date Exemption Application Received: November 19, 2001

Date all relevant application information supplied by applicant: September 22, 2002

IMO Management Approvals Obtained (YES or NO): Yes

Are there any outstanding disputes or compliance actions involving the applicant or the subject matter of this exemption application? (YES or NO): NO.

Are there any outstanding rule amendments involving the subject matter of this exemption application? (YES or NO): NO.

Section of the *Exemption Application and Assessment Procedure* under which the Exemption Application is made:

- *Section 1.4.1*

Market Rule(s) or related Market Manual(s) from which exemption is requested (copy of Market Rule(s) or Manual(s) attached): Market Rules Chapter 6, sections 4.1.1.4, Appendix 6.2, section 1.7, Wholesale Revenue Metering Standard – Hardware, Section 6.12.6.

Third Party Submissions Received (YES or NO):

Supplemental Assessment Information Attached (YES or NO): NO

Related Historical Exemption Application(s) or Related Exemption Application(s) in Process (YES or NO): YES, GLP exemption application 01-1194.

Role of applicant in the market as it relates to this exemption application: Meter Owners

Part 2 – Recommendation**Recommendation:** Granted with conditions**Criteria Used in Assessment of General Exemption Applications (Section 1.4.2 of *Exemption Application and Assessment Procedure*):**

(If X appears in a box, the criterion is applicable to this exemption application and is evaluated in Part 3 – Details of Assessment; if X does not appear in a box, the criterion is not applicable to this exemption application.)

Whether the exemption that is the subject-matter of the exemption application would, if granted, materially:

- impact the ability of the IMO to direct the operations and maintain the reliability of the IMO-controlled grid; ☐

- impact the ability of the IMO to ensure non-discriminatory access to the IMO-controlled grid; ☐

- affect the ability of the IMO to operate the IMO-administered markets in an efficient, competitive, and reliable manner; ☒

Comment: The nature of this exemption application would have an impact on the operation of the IMO-administered markets in an efficient manner. Metering data accuracy impacts on the operation of an efficient market.

- increase costs of market participants; or ☐

- increase costs of the IMO; ☐

Whether the exemption that is the subject-matter of the exemption application would, if granted, give the exemption applicant an undue preference in the IMO-administered markets; ☐

Whether the cost or delay to the exemption applicant of complying with the obligation or standard to which the exemption application relates is reasonable, having regard to the nature of the obligation or standard, the nature of the exemption application and the anticipated impact of non-compliance by the exemption applicant in terms of the elements referred to above; ☒

Comment: See "Cost to Comply with Market Rule" section

The adequacy of the exemption plan submitted by the exemption applicant; ☐

Where the exemption applicant is the IMO, the identification of the benefit to market participants of compliance with the obligation or standard relative to the financial and other resources required to achieve compliance within such deadlines as may be applicable; ☐

Where the exemption applicant is the IMO, the manner in which it proposes to operate in the IMO-administered markets or direct the operations and maintain the reliability of the IMO-controlled grid during the period in which the exemption would be in effect; ☐

Whether the facility or equipment that is the subject-matter of the exemption application:

- was in service or was returned to service on the date on which the obligation or standard to which the exemption application relates came into force; ☒

Comment: metering installations that are the subject matter of these exemptions were in service at the time the obligation or standard to which the exemption application relates came into force

- was ordered by the exemption applicant on or prior to the date on which the obligation or standard to which the exemption application relates came into force; or ☐

- was in the process of construction on or prior to the date on which the obligation or standard to which the exemption application relates came into force; and ☐

The capability of the owner of the facility to operate the facility consistent with the terms of the proposed exemption. ☐

PART 3 – DETAILS OF ASSESSMENT**Market Rule Requirement:**

By requesting an exemption for the following market rule requirements, GLP is requesting an exemption from related market rule obligations listed in the attached table of terms and conditions:

The following requirements are cited for rationale development.

Market Rules Chapter 6

- Section 4.1.1.4 requires instrument transformers to meet the accuracy requirements of the IMO.

Market Rules Chapter 6 Appendix 6.2

- Section 1.7 requires factory test cards as proof of accuracy for instrument transformers

Wholesale Revenue Metering Standard – Hardware

- Section 6.12.6 requires factory test cards

Assessment:**Background:**

- GLP owns 12 generating stations with a capacity of 302 MW, as well as distribution and 115 kV and 230 kV transmission systems.
- The application covers various facilities, including generation, transmission and distribution.

GLP has stated that all the existing instrument transformers will be replaced within 6 years with compliant metering. GLP also states that the existing instrument transformers are Measurement Canada approved for revenue billing. Essentially GLP wants to wait up to 6 years before providing test cards.

Market Rules Chapter 6 Section 4.1.1.4 and Appendix 6.2 Section 1.7, Hardware Standard Section 6.12.6

GLP states that they do not have factory test cards for any of the instrument transformers. The cards are required as proof of accuracy. GLP wishes to be exempted from this requirement for up to 6 years.

Reviewing the instrument transformer information supplied by GLP as part of registration, all the Current Transformers and Voltage Transformers are 0.3 ANSI accuracy class. This is acceptable and it is recommended that GLP be granted an exemption from providing test cards until seal expiry of each installation, which for some installations may be up to 6 years.

Cost to comply with Market Rules:

GLP has estimated the cost of compliance for testing instrument transformer accuracy and providing the test cards is \$15,000 to \$20,000 per installation. The total cost of compliance for all seventeen metering installation owned by GLP and associated with the delivery points listed in this application ranges from \$255, 000 - \$340,000.

PART 3 – DETAILS OF ASSESSMENT

IMO Staff Recommendation:

IMO staff recommendation that GLP be granted the exemption until the date of the earliest seal expiry at each metering installation.

Conditions:

No additional conditions.

PART 4 – TERMS AND CONDITIONS

Effective Date of Exemption (or event causing exemption to become effective)	Date the application was received
Date of Expiration of Exemption <ul style="list-style-type: none"> • If greater than 5 years, the Panel must be satisfied that the circumstances justify a later date • Circumstances which will cause the exemption to immediately expire 	The date of the earliest seal expiry for each metering installation.
Market Rule (s) or related Market Manual(s) from which the Exemption is granted	Chapter 6 Appendix 6.2 Sections 1.7 Chapter 6 Sections 4.1.1.4, 4.1.7.1 Wholesale Revenue Metering Standards- Hardware section 6.12.2
Restrictions on the manner of operation and/or additional obligations to be met during the term of the Exemption, if any	None
Monitoring Information Required Information required to be provided by the Exemption Applicant for monitoring by the IMO	None
Payment of Costs <ul style="list-style-type: none"> • Processing Costs (when introduced) • Incremental Exemption Costs • Settlement amounts to be withheld or repaid 	None

PART 4 – TERMS AND CONDITIONS

Reconsideration/ Removal <ul style="list-style-type: none">• Date on which the Exemption will be reconsidered (<i>if applicable</i>)• Circumstances under which the Exemption will be reconsidered (<i>if applicable</i>) other than unforeseen future change in circumstances	No foreseen circumstances of reconsideration.
Transferability <ul style="list-style-type: none">• List the terms and conditions that need to be met to allow for a transfer of this exemption to be approved by IMO staff	Approval to transfer this exemption may occur once the following criteria have been met: <ol style="list-style-type: none">1. the transfer meets applicable terms and conditions set forth in the <i>exemption</i> itself and whether the transfer would affect the ability of the proposed transferee to comply with all of the terms and conditions of the <i>exemption</i>;2. the proposed transferee is a <i>market participant</i> or undertakes in writing to the <i>IMO</i> to apply for authorization as a <i>market participant</i>; and3. the extent to which the transfer of the <i>exemption</i> will impact the timely implementation of the plan to become compliant with the exempted obligation (such plan may be the <i>exemption</i> plan, modified as required by the Panel as part of the terms and conditions of the <i>exemption</i>).
Other:	None