



Market Rule Amendment Submission

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 or fax to the following:

Email Address: Rule.Amendments@theIMO.com
 Fax No.: (416) 506-2847 Attention: Market Rules Group
Subject: *Market Rule Amendment Submission*

All information submitted in this process will be used by the *IMO* 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 *IMO* 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: IMO Staff	
(if applicable) <i>Market Participant / Metering Service Provider No.</i> ¹ :	<i>Market Participant Class:</i>
Telephone: (416) 506-2801	Fax: (416) 506-2847
Email Address: rule.amendments@theimo.com	

PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: Reliability
Title: Revisions to Emergency Preparedness Market Rules
Nature of request (please indicate with X): <input checked="" type="checkbox"/> Alteration <input type="checkbox"/> Deletion <input type="checkbox"/> Addition <input type="checkbox"/> Clarification
Chapter: 1, 5 and 11 Appendix: Sections: 4 & 13 (Ch. 1), 11 (Ch. 5)
Sub-sections proposed for amending/clarifying :

¹ 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 *IMO-administered markets*. Include the Chapter and Section number of the relevant market rules.

In 1998, the IMO was directed by the Ministry of Energy, (MOE) to assist in the preparation of emergency plans describing how market participants will respond to emergencies affecting the supply or delivery of electricity by co-ordinating efforts among market participants. To accomplish this, the stakeholder-represented Emergency Preparedness Task Force (EPTF), chaired by the IMO's Chief Operating Officer, was established in November 1998 to direct and oversee these efforts.

As a result of the August 2003 blackout and system restoration, the EPTF and the Emergency Preparedness Working Group (EPWG), an IMO led working group established under the EPTF, have identified the need for changes to the emergency preparedness market rules.

The following are proposed revisions to Chapter 5, section 11 of the market rules that would bring them in line with the decisions of these two groups:

- Under section 11.4.4 each market participant must have their emergency preparedness plan and restoration plan market participant attachment audited every three years by an IMO approved authority. Section 11.4.5 states that the IMO may approve one or more authorities the IMO determines is or are capable of conducting the audit referenced in section 11.4.4. The IMO has determined there are currently few auditors with the required qualifications to conduct such audits on emergency preparedness plans and restoration plan market participant attachments for all market participants. As well, a number of audits would be unnecessarily performed since many market participant documentation or responses are currently at a satisfactory level. Under the current market rules all market participants, regardless of whether their documentation or response is at a satisfactory or unsatisfactory level, would be forced to bear the potential considerable costs of these audits. It is proposed that this requirement be removed from the market rules. In lieu, however, it is proposed that IMO reserve the right to require an audit or review of a market participant's emergency preparedness plan and/or restoration plan market participant attachment if their documentation or response is not at satisfactory levels. The criteria used to determine satisfactory levels relates to a market participant that repeatedly violate rules, and/or steadfastly refuses to participate in exercises or cannot respond adequately in exercises; and/or does not submit a restoration plan market participant attachment.
- Currently there is no requirement in the market rules for a market participant's emergency preparedness plan or restoration plan market participant attachment to be certified or "signed-off" by an officer of the market participant's organization. Therefore, the IMO has inadequate assurance of the validity of a market participant's emergency preparedness plan or restoration plan market participant attachment documents. As well, since it is being proposed to remove the requirement for 3 year audits, the IMO requires some form of legally supported sign-off on emergency preparedness documents provided to them. It is therefore proposed that all new and existing emergency preparedness plans and restoration plan market participant attachments shall be certified by an officer of the submitting market participant's organization.
- Section 11.4.6 requires the IMO to review its emergency preparedness plan and the Ontario electricity emergency plan at least annually, or as required. The IMO proposes that it also be required to review at least annually, or as required, the Ontario power system restoration plan. The exclusion of the review of the Ontario power system restoration plan in this section appears to have been an oversight.

PART 3 – DESCRIPTION OF THE ISSUE

- Section 11.4.7 sets out the process for the Minister approval of the auditor of the emergency preparedness plan and the Ontario electricity emergency plan. It is proposed to remove this obligation on the Minister since it is inappropriate for the market rules to impose any requirements on the Minister.
- The current definition of "record of review" in chapter 11 states that a "record of review" means the document issued by the IMO to a restoration plan market participant pursuant to section 11.4.1 of chapter 5 that describes the review process. The manner in which this definition is written could lead a reader to assume that it is the "record of review" that describes the review process. This is not the case. It is section 11.4.1 of chapter 5 that describes the review process. In order to ensure that the definition does not mislead a reader, it is proposed to clarify in the definition that it is chapter 5, section 11.4.1 that describes the review process and not the "record of review".
- Expand the scope of the Ontario electricity emergency plan in section 11.2.1 of Chapter 5 to capture emergencies associated with both the integrated power system and registered facilities. Section 11.2.1 of chapter 5 states that the IMO shall develop and maintain an Ontario electricity emergency plan for the IMO and market participants for the purpose of alleviating the effects of an emergency on the integrated power system. The term "integrated power system" is defined as the IMO-controlled grid and the structures, equipment and other things that connect the IMO-controlled grid with transmission systems and distribution systems in Ontario and transmission systems outside Ontario, whereas the term "electricity system" is defined as the integrated power system and registered facilities connected to the grid. In respect of emergency preparedness and system restoration, use of the term "electricity system" would extend the scope of the emergency preparedness program to capture certain emergencies that "integrated power system" would not. For example, in the case of the 1998 ice storm, the problems were more largely associated with those facilities connected to the grid. There were few problems with the grid itself.
- Replace the term "restoration plan market participant" and "restoration plan market participant attachment" and replace them with "restoration participant" and "restoration participant attachment" respectively. The existing terms are unnecessarily lengthy and wordy. The current terms are causing problems with the heading size in the IMO's templates due to their length.
- Replace the term "sensitive users" with the term "priority loads" to be consistent with the terminology used by the provincial government during Blackout-2003 to describe hospitals, water supply facilities, water treatment facilities and fuel supply facilities. As well, the term sensitive users is too vague and subjective, and may be interpreted to mean sensitivity to quality of power supplied rather than supply itself.

PART 4 – PROPOSAL (BY SUBMITTER)

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

The IMO proposes the following amendments:

- Remove sections 11.4.4, 11.4.4.1, 11.4.4.2, and 11.4.5 of chapter 5 and include a new provision that obligates market participants to comply if the IMO requires an audit of their emergency preparedness plan and/or restoration plan market participant attachment;
- Include a obligation on market participants under section 11.2.4 and 11.3.7 of chapter 5 to submit their emergency preparedness plan and restoration plan market participant attachment with a certificate of an officer of the market participant’s organization;
- Include an obligation in section 11.4.6 of chapter 5 on the IMO to also review its the Ontario power system restoration plan at least annually, or as required;
- Remove the obligation on the IMO in section 11.4.6 of chapter 5 to obtain Minister approval on an auditor and remove the Minister auditor approval process set out in section 11.4.7 of chapter 5;
- Revise the definition of “record of review” in chapter 11 to clarify that it is not the “record of review” that describes the review process, but it is section 11.4.1 of chapter 5 that describes the review process;
- Replace all references to “integrated power system” with “electricity system” in chapter 5, section 11;
- Replace all references to “restoration plan market participant” with “restoration participant” in chapter 5, section 4 and 11 and chapter 11 definitions;
- Replace all references to “restoration plan market participant attachment” with “restoration participant attachment” in chapter 1, section 4 and 13, chapter 5, section 11 and chapter 11 definitions.; and
- Replace the term “sensitive users” in sections 11.2.4.6 and 11.3.7.4 of chapter 5 with the term “priority loads”.

PART 5 – FOR *IMO* USE ONLY

Technical Panel Decision on Rule Amendment Submission

MR number: MR-00282-Q00

PART 5 – FOR IMO USE ONLY

Date submitted to <i>Technical Panel</i>: September 16, 2004	
Accepted by <i>Technical Panel</i> as: <input checked="" type="checkbox"/> General ___ Urgent ___ Minor (please indicate with X)	Date: September 21, 2004
<p>Criteria for acceptance: It meets the following criteria for such a determination:</p> <p>(i) it identifies ways to simplify the market and reduce market participant or IMO costs.</p> <p>The IMO currently obligates market participants to have their emergency preparedness plan and restoration plan market participant attachment audited every three years. The requirement places a potentially significant financial burden on market participants to bear the costs associated with such an audit. As such, this amendment proposes to amend the market rules so as to remove this requirement, thereby reduce participant costs. In lieu, however, it is proposed that the IMO may reserve the right to request an audit if a market participant's documentation or response is not at satisfactory levels.</p>	
Priority: High	
Criteria for assigning priority: The current audit requirements impact a number of market participants who would be required to conduct audits by May 1, 2005 under the current market rules	
Not accepted (please indicate with X):	
Clarification/interpretation required (please indicate with X):	
<i>Technical Panel</i> minutes reference: IMOTP 150-1	
<i>Technical Panel</i> Comments:	



Market Rule Amendment Submission

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 or fax to the following:

Email Address: Rule.Amendments@theIMO.com
 Fax No.: (416) 506-2847 Attention: Market Rules Group
Subject: *Market Rule Amendment Submission*

All information submitted in this process will be used by the *IMO* 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 *IMO* 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: IMO Staff	
(if applicable) <i>Market Participant / Metering Service Provider No.</i> ¹ :	<i>Market Participant Class:</i>
Telephone: (416) 506-2801	Fax: (416) 506-2847
Email Address: rule.amendments@theimo.com	

PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: Reliability
Title: Revisions to Emergency Preparedness Market Rules
Nature of request (please indicate with X): <input checked="" type="checkbox"/> Alteration <input type="checkbox"/> Deletion <input type="checkbox"/> Addition <input type="checkbox"/> Clarification
Chapter: 1, 5 and 11 Appendix: Sections: 4 & 13 (Ch. 1), 11 (Ch. 5)
Sub-sections proposed for amending/clarifying :

¹ 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 *IMO-administered markets*. Include the Chapter and Section number of the relevant market rules.

In 1998, the IMO was directed by the Ministry of Energy, (MOE) to assist in the preparation of emergency plans describing how market participants will respond to emergencies affecting the supply or delivery of electricity by co-ordinating efforts among market participants. To accomplish this, the stakeholder-represented Emergency Preparedness Task Force (EPTF), chaired by the IMO's Chief Operating Officer, was established in November 1998 to direct and oversee these efforts.

As a result of the August 2003 blackout and system restoration, the EPTF and the Emergency Preparedness Working Group (EPWG), an IMO led working group established under the EPTF, have identified the need for changes to the emergency preparedness market rules.

The following are proposed revisions to Chapter 5, section 11 of the market rules that would bring them in line with the decisions of these two groups:

- Under section 11.4.4 each market participant must have their emergency preparedness plan and restoration plan market participant attachment audited every three years by an IMO approved authority. Section 11.4.5 states that the IMO may approve one or more authorities the IMO determines is or are capable of conducting the audit referenced in section 11.4.4. The IMO has determined there are currently few auditors with the required qualifications to conduct such audits on emergency preparedness plans and restoration plan market participant attachments for all market participants. As well, a number of audits would be unnecessarily performed since many market participant documentation or responses are currently at a satisfactory level. Under the current market rules all market participants, regardless of whether their documentation or response is at a satisfactory or unsatisfactory level, would be forced to bear the potential considerable costs of these audits. It is proposed that this requirement be removed from the market rules. In lieu, however, it is proposed that IMO reserve the right to require an audit or review of a market participant's emergency preparedness plan and/or restoration plan market participant attachment if their documentation or response is not at satisfactory levels. The criteria used to determine satisfactory levels relates to a market participant that repeatedly violate rules, and/or steadfastly refuses to participate in exercises or cannot respond adequately in exercises; and/or does not submit a restoration plan market participant attachment.
- Currently there is no requirement in the market rules for a market participant's emergency preparedness plan or restoration plan market participant attachment to be certified or "signed-off" by an officer of the market participant's organization. Therefore, the IMO has inadequate assurance of the validity of a market participant's emergency preparedness plan or restoration plan market participant attachment documents. As well, since it is being proposed to remove the requirement for 3 year audits, the IMO requires some form of legally supported sign-off on emergency preparedness documents provided to them. It is therefore proposed that all new and existing emergency preparedness plans and restoration plan market participant attachments shall be certified by an officer of the submitting market participant's organization.
- Section 11.4.6 requires the IMO to review its emergency preparedness plan and the Ontario electricity emergency plan at least annually, or as required. The IMO proposes that it also be required to review at least annually, or as required, the Ontario power system restoration plan. The exclusion of the review of the Ontario power system restoration plan in this section appears to have been an oversight.

PART 3 – DESCRIPTION OF THE ISSUE

- Section 11.4.7 sets out the process for the Minister approval of the auditor of the emergency preparedness plan and the Ontario electricity emergency plan. It is proposed to remove this obligation on the Minister since it is inappropriate for the market rules to impose any requirements on the Minister.
- The current definition of "record of review" in chapter 11 states that a "record of review" means the document issued by the IMO to a restoration plan market participant pursuant to section 11.4.1 of chapter 5 that describes the review process. The manner in which this definition is written could lead a reader to assume that it is the "record of review" that describes the review process. This is not the case. It is section 11.4.1 of chapter 5 that describes the review process. In order to ensure that the definition does not mislead a reader, it is proposed to clarify in the definition that it is chapter 5, section 11.4.1 that describes the review process and not the "record of review".
- Expand the scope of the Ontario electricity emergency plan in section 11.2.1 of Chapter 5 to capture emergencies associated with both the integrated power system and registered facilities. Section 11.2.1 of chapter 5 states that the IMO shall develop and maintain an Ontario electricity emergency plan for the IMO and market participants for the purpose of alleviating the effects of an emergency on the integrated power system. The term "integrated power system" is defined as the IMO-controlled grid and the structures, equipment and other things that connect the IMO-controlled grid with transmission systems and distribution systems in Ontario and transmission systems outside Ontario, whereas the term "electricity system" is defined as the integrated power system and registered facilities connected to the grid. In respect of emergency preparedness and system restoration, use of the term "electricity system" would extend the scope of the emergency preparedness program to capture certain emergencies that "integrated power system" would not. For example, in the case of the 1998 ice storm, the problems were more largely associated with those facilities connected to the grid. There were few problems with the grid itself.
- Replace the term "restoration plan market participant" and "restoration plan market participant attachment" and replace them with "restoration participant" and "restoration participant attachment" respectively. The existing terms are unnecessarily lengthy and wordy. The current terms are causing problems with the heading size in the IMO's templates due to their length.
- Replace the term "sensitive users" with the term "priority loads" to be consistent with the terminology used by the provincial government during Blackout-2003 to describe hospitals, water supply facilities, water treatment facilities and fuel supply facilities. As well, the term sensitive users is too vague and subjective, and may be interpreted to mean sensitivity to quality of power supplied rather than supply itself.

PART 4 – PROPOSAL (BY SUBMITTER)

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

The IMO proposes the following amendments:

- Remove sections 11.4.4, 11.4.4.1, 11.4.4.2, and 11.4.5 of chapter 5 and include a new provision that obligates market participants to comply if the IMO requires an audit of their emergency preparedness plan and/or restoration plan market participant attachment;
- Include a obligation on market participants under section 11.2.4 and 11.3.7 of chapter 5 to submit their emergency preparedness plan and restoration plan market participant attachment with a certificate of an officer of the market participant’s organization;
- Include an obligation in section 11.4.6 of chapter 5 on the IMO to also review its the Ontario power system restoration plan at least annually, or as required;
- Remove the obligation on the IMO in section 11.4.6 of chapter 5 to obtain Minister approval on an auditor and remove the Minister auditor approval process set out in section 11.4.7 of chapter 5;
- Revise the definition of “record of review” in chapter 11 to clarify that it is not the “record of review” that describes the review process, but it is section 11.4.1 of chapter 5 that describes the review process;
- Replace all references to “integrated power system” with “electricity system” in chapter 5, section 11;
- Replace all references to “restoration plan market participant” with “restoration participant” in chapter 5, section 4 and 11 and chapter 11 definitions;
- Replace all references to “restoration plan market participant attachment” with “restoration participant attachment” in chapter 1, section 4 and 13, chapter 5, section 11 and chapter 11 definitions.; and
- Replace the term “sensitive users” in sections 11.2.4.6 and 11.3.7.4 of chapter 5 with the term “priority loads”.

PART 5 – FOR *IMO* USE ONLY

Technical Panel Decision on Rule Amendment Submission

MR number: MR-00282-Q00

PART 5 – FOR IMO USE ONLY

Date submitted to <i>Technical Panel</i>: September 16, 2004	
Accepted by <i>Technical Panel</i> as: <input checked="" type="checkbox"/> General ___ Urgent ___ Minor (please indicate with X)	Date: September 21, 2004
<p>Criteria for acceptance: It meets the following criteria for such a determination:</p> <p>(i) it identifies ways to simplify the market and reduce market participant or IMO costs.</p> <p>The IMO currently obligates market participants to have their emergency preparedness plan and restoration plan market participant attachment audited every three years. The requirement places a potentially significant financial burden on market participants to bear the costs associated with such an audit. As such, this amendment proposes to amend the market rules so as to remove this requirement, thereby reduce participant costs. In lieu, however, it is proposed that the IMO may reserve the right to request an audit if a market participant's documentation or response is not at satisfactory levels.</p>	
Priority: High	
Criteria for assigning priority: The current audit requirements impact a number of market participants who would be required to conduct audits by May 1, 2005 under the current market rules	
Not accepted (please indicate with X):	
Clarification/interpretation required (please indicate with X):	
<i>Technical Panel</i> minutes reference: IMOTP 150-1	
<i>Technical Panel</i> Comments:	