



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@ieso.ca

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 *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: <u>IESO Staff</u>	
(if applicable) <i>Market Participant / Metering Service Provider</i> No. ¹ : <u>N/A</u>	<i>Market Participant Class</i> : _____
Telephone: <u>905 855-6464</u>	Fax: _____
E-mail Address: <u>rule.amendments@ieso.ca</u>	

PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: <u>Participation</u>	
Title: <u>Designated Program Market Participant</u>	
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, 2, 3, <u>11</u>	Appendix: _____ Sections: _____
Sub-sections proposed for amending/clarifying: <u>Various</u>	

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

The IESO Board approved the Emergency Load Reduction Program (ELRP) design in February 2006 and governing market rules (MR-00311) in April 2006. ELRP is scheduled to be implemented in mid-June 2006.

The existing market rule definitions of market participant classes, with one exception, specify activities that are included in section 57 of OEB Act and as a result require the market participant to have an OEB licence. For example:

- “wholesale consumer” means a person who purchases electricity or ancillary services in the IESO-administered markets or directly from another person;
- “wholesale customer” means a market participant who takes supply from the IESO-controlled grid for its own consumption or for sale;
- “retailer” means a person who retails electricity;
- “retail”, with respect to electricity, means (a) to sell or offer to sell electricity to a consumer; (b) to act as agent or broker for a retailer with respect to the sale or offering for sale of electricity; or (c) to act or offer to act as an agent or broker for a consumer with respect to the sale or offering for sale of electricity;

The one market participant class for which an OEB licence is not required is “financial market participant”; i.e. those persons participating solely in the TR market or energy forward market.

It is expected that a persons may wish to participate solely in ELRP: e.g. a person that aggregates retail load solely for the purpose of providing emergency load reductions. This type of activity does not fit any of the activities that define the existing market participant classes.

Persons that are not currently market participants and that have expressed an interest in participating in ELRP have identified that having to apply for and maintain an OEB licence to be a market participant is a significant barrier to entry. The main issues identified are the time and costs required to apply for, obtain and re-new the OEB licence. The OEB has recently determined that entities participating solely in ELRP would not require an OEB licence.

All of the above factors result in the need for market rule changes that recognize participation solely in programs such as ELRP. These changes would facilitate entry and participation in ELRP and ultimately the effectiveness of ELRP.

While the IESO has no plans to develop other programs such as ELRP, market rule changes to facilitate ELRP entry and participation should anticipate and accommodate, to the extent practical, any such future program.

PART 4 – PROPOSAL (BY SUBMITTER)

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

The market rule should be amended to create and define a new market participant class for those market participants conducting activities solely in ELRP and other designated programs, The definition should not prohibit other market participants authorized under a different class from participating in ELRP and other designated programs.

PART 5 – FOR IESO USE ONLY

Technical Panel Decision on Rule Amendment Submission: _____

MR Number: MR-00320

Date Submitted to *Technical Panel*: 1 May 06

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

Date:

General Urgent Minor

2 May 06

Criteria for Acceptance:

It identifies an error or inconsistency between the market rules and applicable laws, regulations, codes, OEB licences etc. The OEB has determined that participation in ELRP does not require an OEB licence. The existing market participant classes as defined in the market rules are not consistent with this decision i.e. all existing market participant classes, with the exception of financial market participant, require the participant to have an OEB licence. Therefore a person wishing to participate solely in ELRP would not be able to be authorized under one of the existing classes unless they also obtained an OEB licence.

Priority: High

Criteria for Assigning Priority:

Pervasiveness of the problem: the development of a framework to facilitate entry and participation in ELRP will improve the effectiveness of ELRP in maintaining reliability of the IESO-controlled grid. These reliability benefits would impact many, if not all, market participants and Ontario consumers. In addition, ELRP is expected to be implemented in mid-June 2006. Development of the framework on a high priority basis will provide the expected benefits to ELRP entry and participation as soon as possible.

Not Accepted (please indicate with x):

Clarification/Interpretation Required (please indicate with x):

Technical Panel Minutes Reference: IESOTP 185-1

Technical Panel Comments: _____