



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00320-R00		
Subject:	Participation		
Title:	Designated Program Market Participant - Definitions		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	11	Appendix:	
Sections:			
Sub-sections proposed for amending:			

PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Submit for Technical Panel Review	30 Apr 06
2.0	Published for Stakeholder Review and Comment	2 May 06
Approved Amendment Publication Date:		
Approved Amendment Effective Date:		

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

These amendments propose to introduce a market rules framework for participation in “designated programs”. The proposed framework would include introducing and defining a new class of market participant, a ‘designated program market participant’ who would be a person who is authorized to participate in designated programs.

These amendments will facilitate market entry and participation in designated programs such as Emergency Load Reduction Program (ELRP) and therefore increase the effectiveness of programs such as ELRP. These amendments would also accommodate any future programs that are governed by the market rules.

This framework is comparable to what already exists for financial market participants.

This amendment also proposes to change all applicable references to “IMO” remaining in chapter 11 and 2 to “IESO” in keeping with the name change under Bill 100.

Background

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

PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

load solely for the purpose of providing emergency load reductions. This type of activity also 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 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.

Discussion

It is proposed to establish a framework in the market rules for participation in designated programs, such as ELRP, similar to that already existing for participation in financial markets. This framework includes:

- A new market participant class: “designated program market participant”;
- A definition of designated program market participant as a person who is authorized to participate in programs governed by the market rules. For certainty, this definition proposes to identify the Emergency Load Reduction Program as a designated program.

A person wishing to participate in the IESO-administered markets solely through activity in ELRP would apply to be authorized as a “designated program market participant”. The proposed definition of designated program market participant does not prohibit other classes of market participants from participating in ELRP or any other designated programs. This means that, for example, a market participant authorized under the retailer class would be able to participate in other market activities such as ELRP.

It should be noted that this amendment is not intended to apply to embedded generators and loads that are currently not market participants but that are required to meet some technical requirements under chapters 4 and 5 of the market rules, unless these generators/loads decide to participate in ELRP or another designated program.

By introducing this generic designated program and participation framework, any additional designated programs that are introduced could be accommodated.

PART 4 – PROPOSED AMENDMENT

designated program market participant means a person that is authorized to participate in one or more programs that are governed by the market rules, such as the Emergency Load Reduction Program;

PART 5 – IESO BOARD DECISION RATIONALE

Insert Text Here



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00320-R01		
Subject:	Participation		
Title:	Designated Program Market Participant – Chapter 2 Consequential Amendments		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	2	Appendix:	
Sections:			
Sub-sections proposed for amending:	Various		

PART 2 – PROPOSAL HISTORY – PLEASE REFER TO MR-00320-R00

Version	Reason for Issuing	Version Date
Approved Amendment Publication Date:		
Approved Amendment Effective Date:		

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

This amendment proposes consequential changes to references in chapter 2 of the market rules to reflect the proposed new class of market participants: “designated program market participant”.

This amendment also proposes to delete the following market rules that are no longer in effect, and applicable cross references: section 1.2.2.5 which refers to operational dry-run activities; sections 3.1.5A through 3.1.5C which prescribe the post-market commencement stability period; section 3A prescribing Transitional Market Rules.

Background

Please refer to MR-00320-R00.

Discussion

This amendment proposes to include the “designated program market participant” class in the list of market participant classes in section 2 so that there is a complete listing of market participant classes.

This amendment proposes to delete sections 1.2.2.5 and 1.2.2A, and corresponding cross-references. These sections no longer are in effect as they refer to operational dry-run activities which were completed prior to market commencement.

This amendment proposes to delete provisions regarding the post-market commencement stability period (sections 3.1.5A through 3.1.5C) along with corresponding cross-references. This stability period ended shortly after market commencement and so these rules are no longer required.

This amendment also proposes to delete section 3A Transitional Market rules. These market rules were developed to expedite participant authorization and facility registration for market commencement. These market rules expired eight months after market commencement and should be removed from the market rules.

PART 4 – PROPOSED AMENDMENT

1.2 Participation

- 1.2.0 A person who has been issued a *licence* by the *OEB* pursuant to Part V of the *Ontario Energy Board Act, 1998*, is subject to all *market rules* relating to the activities authorized by such *licence* and all other applicable *market rules*.

- 1.2.1 No person shall participate in the IMOIESO-administered markets or cause or permit electricity to be conveyed into, through or out of the IMOIESO-controlled grid unless that person has been authorized by the IMOIESO to do so pursuant to this Chapter, provided however that this section 1.2.1 shall not apply to require any authorization in respect of physical loop flows inadvertently arising as a result of transactions between entities located outside the IMOIESO control area.
- 1.2.2 No person shall be authorized by the IMOIESO to participate in the IMOIESO-administered markets or to cause or permit electricity to be conveyed into, through or out of the IMOIESO-controlled grid unless the IMOIESO is satisfied:
- 1.2.2.1 on the basis of the certification, tests, and inspections referred to in section 6.2, that the person satisfies the technical requirements referred to in that section applicable to all *market participants*;
 - 1.2.2.2 that the person, if it applies to participate in the *real-time markets*, will satisfy the *prudential support* requirements of Appendix 2.3 and any other financial requirements set forth in the *market rules* applicable to all *market participants* and the IMOIESO-administered market in which the person wishes to participate;
 - 1.2.2.3 that the person agrees to be bound by these *market rules* by executing the *participation agreement*;
 - 1.2.2.4 that the person holds a *licence* permitting the person to engage in one or more of the activities described in section 57 of the Ontario Energy Board Act, 1998, unless:
 - a. the person is exempt by regulation enacted pursuant to the Ontario Energy Board Act, 1998 from the obligation to hold such a *licence*; or
 - b. the person is not engaging in an activity for which the person requires a *licence* pursuant to section 57 of the Ontario Energy Board Act, 1998; and
 - 1.2.2.5 ~~that the person, if it applies to participate in an *IMO-administered market* other than the *TR market*, has successfully completed participation in all applicable operational dry run activities referred to in section 4.5 of Chapter 1; and~~ [Intentionally left blank – section deleted]
 - 1.2.2.6 on the basis of the documentation referred to in section 3.1.2.2, that the person, if it applies for authorization as a *market participant* other than solely as a *financial market participant*:
 - a. is registered for the federal Goods and Services Tax under Part IX of the *Excise Tax Act* (Canada); or

- b. is resident in Canada and is, by virtue of *applicable law*, not liable to pay the federal Goods and Services Tax imposed under Part IX of the *Excise Tax Act* (Canada).

1.2.2A ~~Section 1.2.2.5 shall cease to have effect on the day immediately following the date on which the operational dry run activities referred to in section 4.5 of Chapter 1 are completed.~~[Intentionally left blank – section deleted]

1.2.3 A person who has been authorized by the IMOIESO to participate in the IMOIESO-administered markets or to cause or permit electricity to be conveyed into, through or out of the IMOIESO-controlled grid may participate in the market or trading activities to which the authorization to participate relates.

2. Classes of Market Participants

2.1.1 The following classes of persons may apply for authorization to participate in the IMOIESO-administered markets or to cause or permit electricity to be conveyed into, through or out of the IMOIESO-controlled grid:

2.1.1.1 *generators*;

2.1.1.2 *distributors*;

2.1.1.3 *wholesale sellers*;

2.1.1.4 *wholesale consumers*;

2.1.1.5 *retailers*;

2.1.1.6 *transmitters*; ~~and~~

2.1.1.7 *financial market participants*; and

2.1.1.8 *designated program market participants*.

3. Application for Authorization

3.1.1 A person who wishes to be authorized by the IMOIESO to participate in the IMOIESO-administered markets or to cause or permit electricity to be conveyed into, through or out of the IMOIESO-controlled grid must file a completed *application for authorization to participate*.

3.1.2 The application for authorization to participate shall be accompanied by:

- 3.1.2.1 the non-refundable application fee established from time to time by the IMOIESO to defray the costs of processing the application; and
- 3.1.2.2 unless the *application for authorization to participate* is submitted in respect of an applicant that is applying for authorization to participate in the IMOIESO-administered markets solely as a *financial market participant*, either:
- a. the federal Goods and Services Tax registration number issued to the applicant by the Canada Customs and Revenue Agency; or
 - b. where the applicant is resident in Canada and is, by virtue of *applicable law*, not liable to pay the federal Goods and Services Tax imposed under Part IX of the *Excise Tax Act* (Canada), such documentation as may be prescribed in the *Excise Tax Act* (Canada) or described in the policies of the Canada Customs and Revenue Agency to support the exemption from such liability to pay.
- 3.1.3 The IMOIESO shall, within ten *business days* of receiving an *application for authorization to participate* or within such longer period of time as may be agreed between the IMOIESO and the applicant, advise the applicant of any further information or clarification which is required in support of its application if, in the IMOIESO's opinion, the application is:
- 3.1.3.1 incomplete; or
 - 3.1.3.2 contains information with respect to which the IMOIESO requires clarification.
- 3.1.4 If the further information or clarification which is requested by the IMOIESO pursuant to section 3.1.3 is not provided to the IMOIESO's satisfaction within fifteen *business days* of the request or within such longer period of time as may be agreed between the IMOIESO and the applicant, the applicant will be deemed to have withdrawn the *application for authorization to participate*.
- 3.1.5 ~~Subject to section 3.1.5A,~~ The IMOIESO shall, within twenty *business days* of receipt of the application or of the further information or clarification requested under section 3.1.3, whichever is the later, or within such longer period of time as may be agreed between the IMOIESO and the applicant, by order authorize the applicant to participate in the IMOIESO-administered markets or to cause or permit electricity to be conveyed into, through or out of the IMOIESO-controlled grid, on such terms and conditions as the IMOIESO considers appropriate, if:
- 3.1.5.1 the IMOIESO is satisfied that the applicant meets the requirements set out in section 1.2.2; and
 - 3.1.5.2 the applicant has filed with the IMOIESO an executed *participant agreement*, in such form as shall be established by the IMOIESO,

pursuant to which the applicant agrees to be bound by and comply with the *market rules*, provides the certification referred to in section 6.2.1 and certifies that it has adequate qualified employees or other personnel and organizational and other arrangements that are sufficient to enable the applicant to perform all of the functions and obligations applicable to *market participants*, the class of *market participant* of which the applicant forms part and the *IMOIESO-administered market* in which the applicant wishes to participate.

- 3.1.5A ~~Without prejudice to the right of the *IMO* to grant conditional orders referred to in section 4.1.1, nothing in this section 3 shall require the *IMO* to authorize a person to participate in the *IMO-administered markets*, other than as a *financial market participant*, or to cause or permit electricity to be conveyed into, through or out of the *IMO-controlled grid* prior to the end of the stability period referred to in section 3.1.5B and any application for authorization to participate received prior to the end of such stability period may be held in abeyance until the end of such stability period.~~[Intentionally left blank – section deleted]
- 3.1.5B ~~[Intentionally left blank – section deleted]~~An officer of the *IMO* appointed by the *IMO Board* for such purpose shall establish a stability period that:
- 3.1.5B.1 ~~[Intentionally left blank – section deleted]~~commences no earlier than the date on which the operational dry run activities referred to in section 4.5 of Chapter 1 commences; and
- 3.1.5B.2 ~~[Intentionally left blank – section deleted]~~ends no later than the last day of the third calendar month following the month in which the *market commencement date* occurs.
- 3.1.5C ~~[Intentionally left blank – section deleted]~~The *IMO* shall publish:
- 3.1.5C.1 ~~[Intentionally left blank – section deleted]~~the commencement date of the stability period referred to in section 3.1.5B.1 no later than five *business days* prior to such commencement date; and
- 3.1.5C.2 ~~[Intentionally left blank – section deleted]~~the end date of the stability period referred to in section 3.1.5B.2 no later than five *business days* prior to such end date.
- 3.1.6 Subject to section 4.1.1, if the *IMOIESO* is not satisfied that an applicant meets the requirements set out in section 1.2.2 the *IMOIESO* shall, within twenty *business days* of receipt of the application or of the further information or clarification requested under section 3.1.3, whichever is the later, or within such longer period of time as may be agreed between the *IMOIESO* and the applicant, by order deny the applicant authorization to participate in the *IMOIESO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IMOIESO-controlled grid*.

- 3.1.7 A person who wishes to dispute an order of the IMOIESO made pursuant to section 3.1.5, 3.1.6, or 4.1.1 shall follow the dispute resolution procedures set forth in section 2 of Chapter 3.
- 3.1.8 An applicant or *market participant* shall forthwith advise the IMOIESO of any circumstances which result or are likely to result in a change in the information provided in the *application for authorization to participate* or in any updates thereto.
- 3.1.9 [Reserved for powers of IMOIESO upon learning of a change in circumstances.]
- 3.1.10 The IMOIESO shall establish, maintain, update and *publish*:
- 3.1.10.1 a list of all *market participants* and a list of all *applications for authorization to participate* filed with the IMOIESO;
 - 3.1.10.2 a list of all *market participants* that will cease to be *market participants* and the time that each listed *market participant* will cease to be a *market participant*;
 - 3.1.10.3 a list of all *market participants* that are the subject of a *suspension order* or a *termination order* and the time at which the rights of each listed *market participant* was suspended or terminated; and
 - 3.1.10.4 a list of all *market participants* that are the subject of an order referred to in section 6.5.1, and the time at which such order became effective in respect of each listed *market participant*.

3A. ~~Transitional Market Rules~~[Intentionally left blank – section deleted]

~~3A.1 Deadlines for Authorization and Registration~~

~~3A.1.1 The *IMO* may impose on a person that applies:~~

~~3A.1.1.1 for authorization to participate in the *IMO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IMO-controlled grid* pursuant to section 3; or~~

~~3A.1.1.2 to register a *facility* or *boundary entity* pursuant to section 2.2 or 2.3 of Chapter 7;~~

- ~~one or more deadlines by which one or more steps in the authorization or registration process, as described in these *market rules* or in any applicable *market manual*, shall be completed by such person.~~
- ~~3A.1.2 — Where the *IMO* imposes a deadline pursuant to section 3A.1.1, the *IMO*:~~
- ~~3A.1.2.1 — shall give the person to which such deadline relates notice of such deadline; and~~
- ~~3A.1.2.2 — may, upon notice to such person, extend such deadline.~~
- ~~3A.1.3 — Where the *IMO* determines it appropriate, a deadline imposed on a person pursuant to section 3A.1.1 may differ from the deadline imposed on another person in respect of the same step in the authorization or registration process, having regard to various factors including but not limited to:~~
- ~~3A.1.3.1 — the date on which the person applied for authorization or for registration, as the case may be;~~
- ~~3A.1.3.2 — the *IMO* administered market in which the person intends to participate;~~
- ~~3A.1.3.3 — the number of *facilities, boundary entities* or both which the person is applying to register; and~~
- ~~3A.1.3.4 — the complexity of the application for authorization or the application to register.~~
- ~~3A.1.4 — The *IMO* may *publish* any deadline imposed pursuant to section 3A.1.1 and may *publish* notice of any extension of such a deadline.~~
- ~~3A.1.5 — The *IMO* shall make reasonable efforts to assist a person upon whom a deadline has been imposed pursuant to section 3A.1.1 to meet such deadline or to remedy the effects of a missed deadline. Without limiting the generality of the foregoing, the remedy may include contingency arrangements such as the *IMO* making estimates and assumptions of information that the person is required to provide but has not. Subject to section 3A.1.5B, such estimates and assumptions shall be the basis for operations and *settlement* within *IMO* administered markets until that person provides the required information. These remedies may also include limiting participation in the *IMO* administered markets and may include but need not be limited to the following contingency arrangements as published by the *IMO*:~~
- ~~3A.1.5.1 — the *IMO* may require *load facilities* to be non-dispatchable;~~
- ~~3A.1.5.2 — embedded *wholesale consumers* and *distributors* may be treated as retail customers settled by the host *distributor*;~~

~~3A.1.5.3 restrictions may be imposed on the use of *physical bilateral contract data*;~~

~~3A.1.5.4 restrictions may be imposed on the use of *physical allocation data*;~~

~~3A.1.5.5 access to the *IMO-administered market* systems may be restricted;~~

~~3A.1.5.6 the *IMO* may undertake activities normally undertaken by the *market participant*; and~~

~~3A.1.5.7 in order to limit liability to the *IMO* and other *market participants*, where *prudential support obligations* are not posted, the *IMO* may make alternative arrangements and charge back the costs incurred.~~

~~3A.1.5A Section 27 of the *Electricity Act, 1998* prohibits a person from causing or permitting electricity to be conveyed into, through or out of the *IMO-controlled grid* except in accordance with the *market rules*. Where a person has not yet been authorized by the *IMO* as a *market participant* but causes or permits electricity to be conveyed into, through or out of the *IMO-controlled grid*, the *IMO* may make such person subject to the contingency arrangements set out in this section whether or not a *participation agreement* has been signed by such person.~~

~~3A.1.5B Persons operating in the *IMO-administered markets* under contingency arrangements shall remain under such arrangements during a stability period to be determined by the *IMO*. The processing of applications for authorization to participate in the *IMO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IMO-controlled grid* pursuant to section 3, or to register a *facility* or *boundary entity* pursuant to section 2.2 or 2.3 of Chapter 7 or a *metering installation* pursuant to section 6 of Chapter 6, shall be at the discretion of the *IMO* until the end of the stability period and for such additional time beyond the stability period as the *IMO* may reasonably require to incorporate missing information provided for use in place of *IMO* estimates and assumptions.~~

~~3A.1.5C Notwithstanding Chapter 9, sections 6.6, 6.7 and 6.8, persons under contingency arrangements shall not be entitled to submit *notices of disagreement* or *notices of dispute* to the *IMO* relating to, or to challenge in any respect, the estimates and assumptions used pursuant to section 3A.1.5. *Settlement statement re-calculations* shall not be undertaken for *settlement statements* based on these estimates and assumptions. As referenced in Chapter 3, section 2.2.3.13, the dispute resolution process shall not apply to these estimates and assumptions.~~

~~3A.1.5D Persons operating in the *IMO-administered market* under contingency arrangements who have missed deadlines imposed pursuant to section 3A.1.1 shall, following the *market commencement date*, also be subject to penalties to be determined by the *IMO* under section 6.6 of Chapter 3 for being in breach of the *market rules*.~~

- ~~3A.1.5E~~—The *IMO* may impose limitations on the contingency arrangements extended to a person under this section, and non-compliance with any such limitation shall constitute grounds for denial of authorization as a *market participant*, for termination of contingency arrangements under this section (including disconnection), and for financial penalties at the “L4” level of non-compliance for each day on which non-compliance occurs.
- ~~3A.1.6~~—Any costs incurred by the *IMO* as a result of the failure by a person to meet a deadline imposed pursuant to section 3A.1.1 may be:
- ~~3A.1.6.1~~—allocated to that person; and
 - ~~3A.1.6.2~~—recovered from that person by the *IMO* in accordance with the procedures set out in section 3A.1.7.
- ~~3A.1.7~~—The *IMO* shall issue a *cost assessment* to any person to whom a cost has been allocated pursuant to section 3A.1.6 and such person shall pay such *cost assessment* on or before the date indicated for payment of such *cost assessment* and:
- ~~3A.1.7.1~~—where such *cost assessment* is issued prior to the date on which the *IMO* has authorized the person to participate in the *IMO-administered markets* or to cause or to permit electricity to be conveyed into, through or out of the *IMO-controlled grid*, no such authorization shall be granted until such time as the *IMO* has received payment of the *cost assessment*;
 - ~~3A.1.7.2~~—where such *cost assessment* is issued after the date on which the *IMO* has authorized the person to participate in the *IMO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IMO-controlled grid*, the *cost assessment* amount shall be added to a *settlement statement* issued to the person and collected through the *settlement process*;
 - ~~3A.1.7.3~~—where such *cost assessment* is issued prior to the date on which the person’s relevant *facility* or *boundary entity* is registered by the *IMO*, no such registration shall be effected until such time as the *IMO* has received payment of the *cost assessment* amount; and
 - ~~3A.1.7.4~~—where such *cost assessment* is issued after the date on which the person’s relevant *facility* or *boundary entity* is registered by the *IMO*, the amount of the *cost assessment* shall be added to a *settlement statement* issued to the person and collected through the *settlement process*.
- ~~3A.1.8~~—The dispute resolution process provided for in section 2 of Chapter 3 shall apply to any dispute arising from a *cost assessment* made under section 3A.1.7 of this chapter.

~~3A.1.9 The *IMO* shall, on a monthly basis, report to the *OEB* all additional charges arising out of the transitional rules contained in this section. For the purposes of this section, additional charges shall not include *settlement amounts* based on estimates and assumptions.~~

~~3A.1.10 This section shall cease to have effect eight months after the date on which section 26.(1) of the *Electricity Act, 1998* comes into force.~~

4. Conditional Authorization

4.1 Conditional Authorization Order

4.1.1 Within twenty *business days* of receipt of an *application for authorization to participate* or of the further information or clarification requested under section 3.1.3, whichever is the later, or within such longer period of time as may be agreed between the *IMOIESO* and the applicant, the *IMOIESO* may, if it is satisfied that the applicant meets the requirements set out in section 1.2.2.2, by order authorize the applicant to participate in the *IMOIESO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IMOIESO-controlled grid*, on such terms and conditions as the *IMOIESO* considers appropriate, conditional upon:

4.1.1.1 satisfaction of the requirements set out in section 1.2.2.1, section 1.2.2.4 or both, as the case may be; and

4.1.1.1A ~~satisfaction of the requirement set out in section 1.2.2.5;~~
~~and~~ [Intentionally left blank – section deleted]

4.1.1.2 the filing by the applicant of an executed *participation agreement*, in such form as shall be established by the *IMOIESO*, pursuant to which the applicant agrees to be bound by and comply with the *market rules*, provides the certification referred to in section 6.2.1 and certifies that it has adequate qualified employees or other personnel and organizational and other arrangements that are sufficient to enable the applicant to perform all of the functions and obligations applicable to *market participants*, the class of *market participant* of which the applicant forms part and the *IMOIESO-administered market* in which the applicant wishes to participate.

4.1.2 [Intentionally left blank – section deleted] ~~Section 4.1.1.1A shall cease to have effect on the day immediately following the date on which the operational dry run activities referred to in section 4.5 are completed, provided that nothing in this section 4.1.2 shall affect the operation of section 4.2.3 or 4.2.4 in respect of an order issued pursuant to section 4.1.1 prior to such day.~~

4.2 Effect and Term of Order

- 4.2.1 An order issued pursuant to section 4.1.1 that is conditional solely on the satisfaction of the requirements set out in section 1.2.2.1, section 1.2.2.4, or both, shall:
- 4.2.1.1 stipulate the date by which the applicant must satisfy the requirements of section 1.2.2.1, section 1.2.2.4 or both, as the case may be;
 - 4.2.1.2 not have effect until such time as the *IMOIESO* notifies the applicant that:
 - a. the applicant has met the requirements of section 1.2.2.1, section 1.2.2.4 or both, as the case may be; and
 - b. the *IMOIESO* has received from the applicant the executed *participation agreement* referred to in section 4.1.1.2; and
 - 4.2.1.3 lapse on the date referred to in section 4.2.1.1 if the applicant has not, prior to that date, received from the *IMOIESO* the notification referred to in section 4.2.1.2.
- 4.2.2 An order issued pursuant to section 4.1.1 shall:
- 4.2.2.1 where the *IMOIESO* provides the notification referred to in section 4.2.1.2, be deemed to constitute the order authorizing the applicant to participate in the *IMOIESO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IMOIESO-controlled grid*, on the terms and conditions noted in the order issued pursuant to section 4.1.1, as of the date of receipt by the applicant of such notification; or
 - 4.2.2.2 where such order lapses in accordance with section 4.2.1.3, be deemed to constitute an order denying the applicant authorization to participate in the *IMOIESO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IMOIESO-controlled grid* as of the date referred to in section 4.2.1.3.
- 4.2.3 ~~[Intentionally left blank – section deleted]An order issued pursuant to section 4.1.1 that:~~
- 4.2.3.1 ~~[Intentionally left blank – section deleted]is conditional solely on the satisfaction of the requirement referred to in section 1.2.2.5 and relates to an applicant that has not been suspended or has not withdrawn from participation in the operational dry run activities referred to in section 4.5 of Chapter 1, shall not have effect until the date on which such activities are completed;~~

4.2.3.2 ~~[[Intentionally left blank – section deleted]is conditional on the satisfaction of the requirement referred to in section 1.2.2.5 and of one or both of the requirements referred to in section 4.1.1.1 and relates to an applicant that has not been suspended or has not withdrawn from participation in the operational dry run activities referred to in section 4.5 of Chapter 1, shall not have effect until:~~

~~a. the date on which such activities are completed; or~~

~~b. the date referred to in section 4.2.1.2,~~

~~———— whichever is the later;~~

4.2.3.3 ~~[[Intentionally left blank – section deleted]is conditional solely on the satisfaction of the requirement referred to in section 1.2.2.5 and relates to an applicant that has been suspended or has withdrawn from participation in the operational dry run activities referred to in section 4.5 of Chapter 1, shall not have effect until the day immediately following the date on which the stability period referred to in section 3.1.5B ends; and~~

4.2.3.4 ~~[[Intentionally left blank – section deleted]is conditional on the satisfaction of the requirement referred to in section 1.2.2.5 and of one or both of the requirements referred to in section 4.1.1.1 and relates to an applicant that has been suspended or has withdrawn from participation in the operational dry run activities referred to in section 4.5 of Chapter 1, shall not have effect until:~~

~~a. the day immediately following the date on which the stability period referred to in section 3.1.5B ends; or~~

~~b. the date referred to in section 4.2.1.2,~~

~~———— whichever is the later.~~

4.2.4 An order issued pursuant to section 4.1.1 shall be deemed to constitute the order authorizing the applicant to participate in the *IMOIESO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IMOIESO-controlled grid*, on the terms and conditions noted in the order issued pursuant to section 4.1.1, as of the date referred to in section 4.2.3.1, 4.2.3.2, 4.2.3.3 or 4.2.3.4, as may be applicable.

.....

PART 5 – IESO BOARD DECISION RATIONALE

Insert Text Here

PART 5 – IESO BOARD DECISION RATIONALE

--