



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00272-R00		
Subject:	Day Ahead Market - Participant Authorization		
Title:	Participant Authorization		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	2	Appendix:	
Sections:	1.2		
Sub-sections proposed for amending:			

PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Submitted for Technical Panel Review	1 Sep 04
2.0	Publish for Stakeholder Review and Comment	6 Oct 04
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 *IMO-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 *IMO-administered markets*.

Summary

It is proposed to amend the market rules to incorporate authorization requirements for participation in the day ahead markets. The proposed rule amendments include:

- Expanding the scope of the authorization provisions to include the day ahead markets;
- Specifying that a person cannot be authorized for physical transactions in the day ahead market unless they are also authorized by the IMO to participate in the real-time markets;
- Specifying that a person conducting virtual transactions in the day ahead markets would be classified as a financial market participant.

It is also proposed to remove market rule provisions related to participant authorization that were originally drafted to facilitate market commencement and no longer have relevance or application to the market participant authorization process. There are also a number of consequential amendments arising from the deletions of these defunct provisions.

Background

In consultation with market participants and other stakeholders, the IMO has developed a high-level design of a day ahead market¹ (DAM). The IMO Board has endorsed proceeding with the development of a day ahead market and has directed the IMO to proceed with the detailed design and market rule amendments for the DAM consistent with the high-level design. One area of market rule amendments needed is to incorporate the market participant authorization requirements for the day ahead market.

A person needs to be authorized by the IMO in order to participate in the IMO-administered markets. The purposes of the authorization process are to:

- Allow the market participant to identify the markets in which it wishes to participate; and
- Require the market participant to demonstrate that it satisfies the necessary authorization requirements including licencing and prudential support.

These requirements are applicable for participating in the day ahead markets as they are for participating in the real-time markets.

The IMO has developed a detailed design of the day ahead market participant authorization requirements and processes².

¹ High level design document reference and web location.

² Authorization and Participation design document reference and web location.

PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

Discussion

Persons wishing to participate in the day ahead market will need to be authorized to do so to ensure that they meet the necessary requirements to undertake that participation. These authorization requirements are the same as exist today for participation in the real-time markets, namely, the person must:

- Meet applicable licencing, legal, technical and prudential support requirements
- Execute the participation agreement thereby agreeing to be bound by the market rules.

The following amendments to the existing market rules regarding participant authorization are proposed to incorporate day ahead market participation:

1. Expand the scope of the market rules defining the participant authorization requirements to include the day ahead market.

The existing section 1.2.2.2 of Chapter 2 states that a person must meet certain prudential requirements in order to be authorized to participate in the real-time market. Those same prudential requirements must be met by a person in order to be authorized to participate in the day ahead markets and potentially for any future IMO-administered markets. Section 1.2.2.2 should be amended to specify meeting the applicable prudential requirements for the IMO-administered market activities that are the subject of the person's application (refer to R00 below).

The remaining market rules defining the participant authorization requirements refer to the IMO-administered markets, and so already have application to the day-ahead market.

2. Obligate a person to be also authorized in the real-time market when they are authorized to participate in day ahead market physical transactions. The person could be authorized in the real-time market before applying to be authorized in the day ahead market (i.e. existing market participants) or could be authorized in both markets at the same time (i.e. new market participants).

Physical transaction schedules in the day ahead market (i.e. buying or selling energy, selling operating reserve) carry the financial commitment of the transaction being realized in real-time. For that reason, a person conducting physical transactions in the day ahead market must be able to, in real-time, deliver, consume or buy-out its day ahead market commitment. Such actions can only be achieved if the person is also authorized to participate in the real-time market.

It is proposed to include this obligation in a new section 1.2.2.7. (refer to R00 below)

3. Classify a person who participates in the day ahead market by way of virtual transactions is a financial market participant.

Section 2.1.1 of Chapter 2 of the market lists the classes of market participants. The financial market participant class is the appropriate class for a person who participates in the day ahead market by way of virtual transactions. A virtual transaction does not represent a purchase or sale of physical electricity.

The definition of financial market participant should be amended to replace the reference to persons transacting in the day ahead energy forward market to persons who participates in the day ahead market by way of virtual transactions (refer to R0x).

4. Delete those sections of Chapter 2 related to participant authorization that are no longer in effect.

PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

Section 1.2.2.5 requires a person to participate in operational dry run activities in order to be authorized. Section 1.2.2A states that section 1.2.2.5 shall cease to have effect once operational dry run activities have been completed. These sections are no longer in effect or relevant as operational dry run activities were completed prior to market commencement. These sections should be deleted (refer to R00).

Sections 3A, “Transitional Market Rules” were originally drafted and approved to facilitate participant authorization prior to the market commencement date. Section 3A ceased to have effect on the market commencement date and should be deleted (refer to R01).

With the proposed deletion of section 1.2.2.5, there are references to this section within section 4 of Chapter 2 that also should be deleted (refer to R02).

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*.
- 1.2.1 No person shall participate in the *IMO-administered markets* or cause or permit electricity to be conveyed into, through or out of the *IMO-controlled grid* unless that person has been authorized by the *IMO* 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 *IMO control area*.
- 1.2.2 No person shall be authorized by the *IMO* 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* unless the *IMO* 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 *IMO-administered markets*~~*real-time markets*~~, will satisfy the *prudential support* requirements specified in section 5 and of Appendix 2.3 that are applicable to the *IMO-administered market* activities that are the subject of the person’s application, and any other financial requirements set forth in the *market rules* applicable to all *market participants* and the *IMO-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*;
- 1.2.2.5 ~~[Intentionally left blank – section deleted]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~~
- 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) and
- 1.2.2.7 that the person, if it applies to participate by means of *physical transactions in the day ahead market*, is or will also be authorized to participate in the *real-time markets*.
- 1.2.2A ~~[Intentionally left blank – section deleted]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.~~
- 1.2.3 A person who has been authorized by the *IMO* 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* may participate in the market or trading activities to which the authorization to participate relates.

PART 5 – IMO BOARD COMMENTS

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Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00272-R01		
Subject:	Day ahead Market – Participant Authorization		
Title:	Remove Transitional Market Rules No Longer in Effect		
Nature of Proposal:	<input type="checkbox"/> Alteration	<input checked="" type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	2	Appendix:	
Sections:	3A		
Sub-sections proposed for amending:			

PART 2 – PROPOSAL HISTORY – PLEASE REFER TO MR-00272-R00

Version	Reason for Issuing	Version Date
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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 *IMO-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 *IMO-administered markets*.

Please refer to MR-00272-R00 for Summary, Background and Discussion

This amendment proposes to delete section 3A of Chapter 2 of the market rules as these sections are no longer in effect.

PART 4 – PROPOSED AMENDMENT

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

~~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.~~

~~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.~~

PART 5 – IMO BOARD COMMENTS

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Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00272-R03		
Subject:	Day ahead Market – Participant Authorization		
Title:	Consequential Amendments to Conditional Authorization		
Nature of Proposal:	<input type="checkbox"/> Alteration	<input checked="" type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	2	Appendix:	
Sections:	4		
Sub-sections proposed for amending:	4.1.1; 4.2.3		

PART 2 – PROPOSAL HISTORY – PLEASE REFER TO MR-00272-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 *IMO-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 *IMO-administered markets*.

Please refer to MR-00272-R00 for Summary, Background and Discussion

With the proposed deletion of section 1.2.2.5 (refer to MR-00272-R00) references to this deleted section should also be deleted as they no longer have any application. These references to section 1.2.2.5 are within section 4 of Chapter2 “Conditional Authorization”.

PART 4 – PROPOSED AMENDMENT

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 *IMO* and the applicant, the *IMO* 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 *IMO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IMO-controlled grid*, on such terms and conditions as the *IMO* 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 *IMO*, 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 *IMO-administered market* in which the applicant wishes to participate.

- 4.1.2 ~~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.~~ Intentionally left blank – section deleted

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 *IMO* 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 *IMO* 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 *IMO* 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 *IMO* provides the notification referred to in section 4.2.1.2, be deemed to constitute the order authorizing the applicant 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*, 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 *IMO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IMO-controlled grid* as of the date referred to in section 4.2.1.3.

- 4.2.3 ~~An order issued pursuant to section 4.1.1 that: [Intentionally left blank – section deleted]~~
- 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 *IMO-administered markets* or to cause or permit electricity to be conveyed into, through or out of the *IMO-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 – IMO BOARD COMMENTS

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Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00272-R01		
Subject:	Day-Ahead Market – Market Participant Authorization		
Title:	Definition of Financial Market Participant		
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 – PLEASE REFER TO MR-00272-R00

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PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

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Please refer to MR-00272-R00 for Summary, Background and Discussion

This amendment proposes to revise the definition of financial market participant by replacing the reference to persons participating through the day-ahead energy forward market with persons participating in the day-ahead market by means of virtual transactions.

It is also proposed to remove the restriction that a financial market participant is one that **only** participates in the “financial” markets i.e. TRs or virtual transactions in the DAM. A market participant may wish to conduct both financial and physical transactions within the IMO-administered markets. Such a participant should be subject to the market rules and other regulatory requirements applicable to financial market activities.

PART 4 – PROPOSED AMENDMENT

financial market participant means a person that participates ~~only~~ in one or both of ~~the day-ahead energy forward market or the day ahead market by means of virtual transactions or~~ the TR market;

PART 5 – IMO BOARD COMMENTS

Insert Text Here