



PROCEDURE

Market Manual 4: Market Operations

**Part 4.5: Market
Suspension and
Resumption**

Issue 10.0

This procedure provides *market participants* with the information necessary to respond to market suspension, operate during the suspension and support the subsequent resumption of normal market operations.

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This *market manual* may contain a summary of a particular *market rule*. Where provided, the summary has been used because of the length of the *market rule* itself. The reader should be aware, however, that where a *market rule* is applicable, the obligation that needs to be met is as stated in the *market rules*. To the extent of any discrepancy or inconsistency between the provisions of a particular *market rule* and the summary, the provision of the *market rule* shall govern.

Document ID	MDP_PRO_0030
Document Name	Part 4.5: Market Suspension and Resumption
Issue	Issue 10.0
Reason for Issue	Issue released for Baseline 41.0
Effective Date	March 6, 2019

Document Change History

Issue	Reason for Issue	Date
For changes prior to 2011, refer to versions 9.0 and prior		
9.0	Issue released in advance of Baseline 33.1 to update IESO logo	March 31, 2015
10.0	Issue released for Baseline 41.0	March 6, 2019

Related Documents

Document ID	Document Title

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Reference (Paragraph and Section)	Description of Change
All	Rewrote document to bring all content up-to-date.

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Market Manuals

The *market manuals* consolidate the market procedures and associated forms, standards, and policies that define certain elements relating to the operation of the *IESO-administered markets*. Market procedures provide more detailed descriptions of the requirements for various activities than is specified in the *market rules*. Where there is a discrepancy between the requirements in a document within a *market manual* and the *market rules*, the *market rules* shall prevail. Standards and policies appended to, or referenced in, these procedures provide a supporting framework.

Market Procedures

The “Market Operations Manual” is Series 4 of the *market manuals*, where this document forms “Part 4.5: Market Suspension and Resumption”.

– End of Section

1. Introduction

1.1 Purpose

This manual describes the activities undertaken by the *IESO* (including the *IESO Board*), *market participants*, and other parties in *response* to the suspension of normal *operations* within the *IESO-administered markets*. The manual addresses:

- The declaration of a suspension of *market operations* and notification by the *IESO* that normal *market operations* are suspended,
- Directing the operation of the *IESO-controlled grid* during market suspension,
- The subsequent resumption of normal *market operations*, and
- The production and publication of reports reviewing the events leading up to, and during, the market suspension.

1.2 Scope

This manual is intended to provide *market participants* with a summary of the activities performed by *market participants*, the *IESO*, and other parties relating to market suspension and resumption.

This manual does not describe in detail the control actions the *IESO* may take to operate the *IESO-controlled grid* during market suspension. Refer to [Market Manual 7.1: IESO-Controlled Grid Operating Procedures](#) for details on actions that the *IESO* and *market participants* are required to undertake to maintain the *security* and *reliability* of the *IESO-controlled grid*.

This manual does not address the system restoration procedures that are implemented in the event of a major blackout. Refer to [Market Manual 7.8: Ontario Power System Restoration Plan](#) for more details on this process.

1.3 Roles and Responsibilities

1.3.1 Market Participants

Market participants are responsible for:

- Complying with *IESO* Market Suspension Advisory Notices (described in Section 2.1), and any other directions issued by the *IESO*,
- Immediately notifying the *IESO* if they are unable to fully comply with an *IESO* direction,
- Upon resumption of normal market operations, resuming normal operations and interactions with the *IESO* pursuant to the *market rules*,
- Complying with requests for information concerning their operation prior to and during market suspension and supporting the *IESO* analysis of the market suspension, and
- If directed, implementing corrective measures as a result of the investigation into the market suspension.

1.3.2 IESO

The *IESO* is responsible for the following activities, as applicable:

- Issuing a Market Suspension Advisory Notice and an Emergency Priority message¹, informing *market participants* of the nature and scope of the market suspension, and its expected duration (if known),
- Informing the *IESO Board*, the *Ontario Energy Board (OEB)*, and other government authorities of a market suspension,
- Restoring and maintaining reliable operation of the *IESO-controlled grid*, and restoring market operations as rapidly as practical, consistent with safety of persons and facilities,
- Endeavouring to continue use of normal market information, scheduling, and pricing procedures to the extent practical during market suspension, and prescribing and *applying administrative prices*,
- Providing timely information to *market participants* concerning the reasons for the suspension and efforts by the *IESO* to resume normal market operations,
- Issuing *dispatch instructions*, Market Suspension Advisory Notices, Emergency Priority messages, or other directions to *market participants* that will enable the *IESO* to continue reliable operations, continue non-suspended market operations, and resume normal market operations as soon as practical,
- Where applicable, compensating a *market participant* for the costs of complying with *dispatch instructions* issued during a market suspension (see [Section 2.2.5](#)),
- Monitoring the conditions that triggered the market suspension to determine when normal market operations are possible,
- Issuing a Market Resumption Advisory Advance Notice (described in Section 3.1) notice declaring the end of the suspension and indicating the *dispatch hour* for which normal market operations are to resume, providing at least one hour advance notice,
- Issuing preliminary and final reports detailing the circumstances that triggered the market suspension, the steps taken by the *IESO* to ensure reliable operations and to remedy the causes of the suspension, the actions taken by *market participants* during the suspension, and any conclusions or recommendations for avoiding similar suspensions in the future,
- Directing applicable *market participants* to implement corrective measures, if the *IESO Board* determines that corrective measures from these *market participants* are warranted to avoid the recurrence of a market suspension, and
- Where applicable, compensating *market participants* for implementing corrective measures.

1.4 Contact Information

Changes to this *market manual* are managed via the [IESO Change Management process](#).

Stakeholders are encouraged to participate in the evolution of this *market manual* via this process.

To contact the *IESO*, you can email *IESO* Customer Relations at customer.relations@ieso.ca or use telephone or mail. Telephone numbers and the mailing address can be found on the *IESO* website

¹ Emergency Priority messages are issued by the *IESO* directly to *market participants' dispatch* stations.

(<http://www.ieso.ca/Pages/Contact-Us.aspx>). Customer Relations staff will respond as soon as possible.

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2. Market Suspension

In extreme conditions, normal operation of the *IESO-administered markets* may become impossible or detrimental to operating the *IESO-controlled grid* reliably. Under such circumstances, it may be necessary to suspend the operation of all or part of the *IESO-administered markets*.

For the purposes of this manual, a “market suspension” is defined as an *IESO*-declared suspension of market operations in *response* to an event determined to have substantially impaired the ability of the *IESO* to operate the market in accordance with the *market rules*.

If the *IESO* determines that its ability to operate the *IESO-administered markets* in accordance with the *market rules* has become substantially impaired, the *IESO* may declare a market suspension. The conditions in which a market suspension may and may not be declared are listed in Market Rules Chapter 7, Sections 13.2.4 and 13.3.

2.1 Market Suspension Declaration

The *IESO* will issue a declaration of a suspension of normal *market operations* in accordance with Market Rules Chapter 7, Section 13.4, and will notify *market participants* of the declaration primarily via a Market Suspension Advisory Notice².

The *IESO* will notify, as soon as practical, the *IESO Board*, the *OEB*, and the relevant government authorities of a suspension of normal *market operations*. The *IESO Board* may determine whether to continue the suspension or to resume normal *market operations* under such conditions as the *IESO Board* may specify.

For a market suspension resulting from a software, hardware, or communications systems failure, this manual assumes that the *IESO* will continue to have some form of reporting or message notification tool available (or at least have access to basic voice and/or data telecommunications). If a tool typically used to deliver notifications to *market participants* during normal market operations becomes unavailable, the *IESO* will make every effort (using all available means) to maintain communication with *market participants* during the suspension and resumption of normal market operations.

2.2 Operations during Market Suspension

During a suspension of *market operations*, the *IESO* will monitor the conditions that triggered the suspension to determine whether it is possible to resume normal *market operations*. The *IESO* issues regular timely Market Suspension Advisory Updates (described in Section 2.2.2) to provide information to *market participants* concerning the reasons for the suspension and the *IESO*'s efforts to resume normal *market operations*. The *IESO* also provides direction to *market participants* as required, and otherwise prescribes and applies *administrative prices*.

While operating during market suspension, the *IESO*'s key priorities are:

² Market Suspension Advisory Notices are posted on the [Day 0 Advisory Notices Summary](#) page of the *IESO* website.

- Ensuring the safety of persons and equipment, and
- Ensuring the *security* and *adequacy* of the *IESO-controlled grid* to enable the *IESO* to continue *reliable* operations, continue non-suspended *market operations*, and resume normal *market operations* as soon as possible.

Market Rules Chapter 7, Section 13.5.1.2 requires the *IESO* to continue using normal market information, and scheduling and pricing procedures to the extent practical. This is accomplished by dispatching according to the current *pre-dispatch schedule* to the extent possible (see Section 2.2.1).

2.2.1 Dispatch Instructions

In circumstances where it is no longer practical for the *IESO* to issue *dispatch instructions* using normal scheduling and pricing procedures, the *IESO* will issue instructions to *market participants* using whatever communication means are available.

The *dispatch* process during market suspension is based on the following obligations:

- *Market participants* will hold to their most recent *dispatch* request until the *IESO* directs otherwise.
- If a *market participant* must deviate from *dispatch*, they must notify the *IESO* immediately by whatever means available. The *IESO* will take appropriate action if notified by an individual *market participant* of their inability to comply with a *dispatch instruction*.

2.2.2 Market Suspension Advisory Updates

The *IESO* will post Market Suspension Advisory Updates on a regular basis on the [Day 0 Advisory Notices Summary](#) page of the *IESO* website. These updates identify:

- The reason(s) for the market suspension,
- Efforts by *IESO* to restore normal *market operations*,
- The expected duration of the market suspension (if known), and
- Other conditions and directions, as applicable.

As Market Suspension Advisory Updates are very brief, the *IESO* issues detailed directions to *market participants* as required. *Market participants* are expected to comply in full with these directions, or immediately notify the *IESO* if their *facility* will be unable to comply.

2.2.3 Manual Procurement of Operating Reserve

Depending on the duration of the market suspension, the *operating reserve* schedules may not be adequate and the *IESO* may have to manually procure *operating reserve*.

2.2.4 Set Administrative Price

In circumstances where *administrative prices* are required due to the suspension of the *IESO-administered markets*, the *IESO* shall establish *market prices* either on the basis of recent historical average *market prices*, or on the basis of prices determined using market systems.

See [Appendix A](#) for more details on the application of *administrative pricing*.

You may also refer to:

- [Administrative Pricing Quick Take](#)

- [IMO_GDL_0025: Guidelines for Additional Compensation during Administrative Pricing](#)

2.2.5 Compensation

Where the *IESO* applies *administrative pricing* during a market suspension, there may be situations where the *administrative price* does not adequately compensate *market participants* for complying with the *dispatch instructions* the *IESO* issues. In such circumstances, the *IESO* will provide additional compensation to a *market participant* as defined in Market Rules Chapter 7, Sections 8.4A.9 and 8.4A.10.

Market participants who follow *dispatch instructions* based on the established *administrative price*³ may apply for additional compensation by completing and submitting the [Additional Compensation during Administrative Pricing Form](#), on which the *market participant* provides the following information:

- Any actions taken by the *market participant* under direction of the *IESO*,
- Compensation they require as a result of the actions taken, and
- Justification for the compensation requested.

The *IESO* reviews requests for additional compensation and issues a decision to the *market participant* stating:

- Whether the request has been approved, partially approved, or denied,
- Justification for the decision, and
- A summary of compensation offered/denied

The *market participant* has the right to dispute the *IESO* decision, as described in [Market Manual 2.1: Dispute Resolution](#).

– End of Section –

³ Administrative pricing may be applied in circumstances other than a market suspension.

3. Market Resumption

Once the conditions that triggered the market suspension have been resolved, and the *IESO* has determined that normal market operations are possible and *reliable* system operations can be maintained, the *IESO* shall begin the process of resuming market operations, as stated in Market Rules Chapter 7, Section 13.7. The *IESO's* decision to resume normal market operations is subject to any decision or direction the *IESO Board* may issue.

3.1 Market Resumption Advisory Notices

When the *IESO* determines that normal market operations can be resumed, they will complete the following actions at least one hour prior to the resumption of normal market operations:

- Post a Market Resumption Advisory Advance Notice on the [Day 0 Advisory Notices Summary](#) page of the *IESO* website.
- Notify *market participants* providing any necessary additional information, conditions, or directions not contained in the Advisory Notice
- Publish a valid *pre-dispatch schedule*.

The Market Resumption Advisory Advance Notice states:

- The *dispatch hour*⁴ for which normal market operations are to resume, and
- The timeline in which the *IESO* will accept short notice *bids* and *offers* (refer to [Market Manual 4.2: Submission of Dispatch Data in the Real-Time Energy and Operating Reserve Markets](#), Appendix B: Short Notice Change Criteria).

Once normal market operations have resumed, the *IESO* will post a Market Resumption Advisory Notice on the Day 0 Advisory Notices Summary page of the *IESO* website to notify that normal market operations have resumed at the stated time. The *IESO* will begin publishing appropriate public/*market participant*-specific reports.

3.2 Post-Suspension Review

Market Rules Chapter 7, Section 13.7.2 requires the *IESO* (immediately after the resumption of normal market operations) to conduct a review of the events that led to the market suspension, and events that occurred during the suspension itself.

The *IESO* may require *market participants* to submit information regarding their operations prior to and during the suspension, and to assist the *IESO* in analyzing the suspension. If *market participant* input is needed, the *IESO* will email the applicable *market participants* requesting:

- The specific information needed, and
- The date by which a *response* is required.

⁴ Market operations resume at the top of the hour.

3.2.1 Preliminary Market Suspension Report

Market Rules Chapter 7, Section 13.7.3 requires the *IESO Board* to issue a Preliminary Market Suspension Report within 10 *business days* of the market suspension. This report describes:

- The date and time period that the market was suspended,
- The circumstances that triggered the market suspension,
- The steps taken by the *IESO* during the period of suspension to ensure reliable operations and remedy the cause of the suspension,
- The actions of *market participants* during the suspension, and
- Any conclusions or recommendations for avoiding similar market suspensions in the future.

The *IESO Board* distributes the preliminary report to *market participants*, the *OEB*, and other relevant government authorities. *Market participants* may provide comments on the preliminary report for the *IESO* to include in the Final Market Suspension Report. When issuing the preliminary report, the *IESO Board* will provide a deadline date for *market participant* comments to be submitted.

3.2.2 Final Market Suspension Report

Market Rules Chapter 7, Section 13.7.4 requires the *IESO Board* to issue a Final Market Suspension Report to *market participants* and the public “as soon as it is practicable to do so” after the expiry of the period in which *market participants* may submit comments related to the preliminary report. The final report covers the same scope as the preliminary report.

3.2.3 Implement Corrective Measures

The *IESO Board* determines from the investigation into the market suspension whether it is necessary to implement corrective measures to avoid a recurrence of the market suspension. If applicable, the *IESO* will direct affected *market participants* to implement specific corrective measures.

The *IESO* will communicate the requirement for corrective measures to applicable *market participants* through a Notice of Corrective Measures Required, which identifies:

- Any actions required of the *market participant*, and
- The date by which the actions must be taken or implemented.

3.2.4 Compensation for Corrective Actions

A *market participant* may apply for compensation from the *IESO* for undertaking corrective measures where compliance with the *IESO's* direction resulted in costs or damages to the *market participant*.

The *market participant* completes the [Additional Compensation during Administrative Pricing](#) Form, which details:

- Any actions taken by the *market participant* under direction of the *IESO*,
- Compensation required by *market participant* as a result of the actions taken, and
- Justification for the compensation requested.

The *IESO* considers requests for compensation from *market participants* as a result of the implementation of corrective measures directed by the *IESO* and emails a decision to the *market participant* stating:

- Whether the request has been approved, partially approved, or denied,
- Justification for the decision, and
- A summary of compensation offered/denied

The *market participant* has the right to dispute the *IESO* decision, as described in [Market Manual 2.1: Dispute Resolution](#).

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Appendix A: Administrative Pricing

In circumstances that result in market suspension, the *IESO* shall (as it determines appropriate) establish the *administrative price* as one of the following:

- A *market price* calculated by the software that regularly generates *market prices*, provided the market suspension is not the result of failure in that software, and provided that operations of the *IESO-controlled grid* are based to some extent on market-based information and signals, or
- Where operations of the *IESO-controlled grid* are being conducted without regard to the market:
 - For each hour that the *IESO-administered markets* are suspended, the *IESO* uses the average of the published *market prices* for the corresponding hour from the four most recent *business days* (or non-business days if the prices are being administered for a non-business day), excluding any hour(s) where prices were administered.
 - The *energy price* for Ontario and all *intertie zones* is set equal to the average Hourly Ontario Energy Price (HOEP) for the corresponding hour(s) on the four most recent business (or non-business) days. Similarly, Ontario and *intertie zone operating reserve prices* are set equal to the hourly average of the price for *operating reserve* in Ontario on the four most recent business (or non-business) days.

Since there would be no *market schedule* and, therefore, no congestion management settlement credits (CMSC) under the average pricing mechanism, *market participants* can claim additional compensation if they follow *dispatch instructions* and they can demonstrate to the satisfaction of the *IESO* that the *administered price* does not cover their incremental costs. See Section 2.2.5 for more information on compensation related to *administrative pricing*.

– End of Section –

References

Document ID	Document Title
MDP_RUL_0002	Market Rules for the Ontario Electricity Market
MDP_PRO_0014	Market Manual 1.1: Participant Authorization, Maintenance & Exit
MDP_PRO_0017	Market Manual 2.1: Dispute Resolution
MDP_PRO_0027	Market Manual 4.2: Submission of Dispatch Data in the Real-Time Energy and Operating Reserve Markets
IMP_PRO_0034	Market Manual 4.3: Real Time Scheduling of the Physical Markets
MDP_PRO_0040	Market Manual 7.1: System Operating Procedures
IMO_PLAN_0001	Market Manual 7.8: Ontario Power System Restoration Plan
IMO_GDL_0025	Guidelines for Additional Compensation during Administrative Pricing
	Administrative Pricing Quick Take

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