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Engagement Topic: MACD Enforcement Framework Modernization: Initial Proposals for Amendments to Market Manual 2.6 (Batch One only)

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Introduction

The Independent Electricity System Operator's ("**IESO**") Market Assessment and Compliance Division ("**MACD**") is undertaking an Enforcement Modernization project to improve the efficiency and effectiveness of the enforcement regime by amending the Market Rules and related manuals.

MACD's proposed rule changes would have significant changes to Market Manual 2.6. MACD is sharing the proposed additions to Market Manual 2.6 for this Batch One engagement to enable immediate stakeholder feedback; however, MACD wants to ensure stakeholders are aware that there will further opportunities for engagement on Market Manual 2.6 that will come in subsequent engagements.

Proposed addition to Market Manual 2.6

MACD is proposing to add the following section to Market Manual 2.6:

> 1.3.3.1 Advance Good Faith Negotiations
>
> (MR. Ch.3 ss.6.2.7B and 6.2.7C)
>
> In complex matters, the IESO may provide the market participant with a staff report setting out the draft findings of the investigation prior to the IESO making an order pursuant to MR Ch.3 s.6.2.7. In such cases, the IESO will also specify a time period within which the market participant may request an opportunity to engage in good faith negotiations in advance of the IESO making an order.
>
> Where the market participant requests good faith negotiations, the IESO and the market participant shall make good faith efforts to negotiate within a minimum thirty-day period that runs from the date of the request to engage in good faith negotiations.
>
> Following the minimum thirty-day period or the expiry of the opportunity to engage in good faith negotiations, the IESO may make an order pursuant to section 6.2.7.