

Statement of Approach

MACD Service Standards

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Table of Contents

1. Introduction **2**

2. Purpose of Service Standards **2**

3. Service Standards **3**

1. Introduction

Within the *IESO*, the authority to conduct investigations and make determinations related to compliance with, and enforcement of, the *market rules*, has been delegated to the Vice-President of the Market Assessment and Compliance Division ("**MACD**"). Complementing its enforcement role, MACD aims to enable a better understanding of the requirements of the *market rules*, including *reliability standards*, through education, so that *market participants* and the IESO may take actions towards being compliant. Compliance with the *market rules* and *reliability standards* supports the efficient and *reliable* operation of the *IESO-controlled grid* and the *integrated power system*.

As part of its efforts to enable compliance MACD may, upon request or on its own initiative, provide Compliance and Enforcement Guidance ("**CEG**") with respect to specific provisions of the *market rules*. As applicable, a CEG will reflect MACD's view as to the meaning of specific provisions and their potential application to compliance and other enforcement determinations.

This Statement of Approach ("**SOA**")[1] document (which is one form of CEG)[2] provides guidance to *market participants* as to how their matters will progress when MACD exercises its powers under section 6 of Chapter 3 of the *Market Rules*.

2. Purpose of Service Standards

MACD has established service standards to provide *market participants* with guidance as to the timelines they can generally expect in certain interactions with MACD. The goal of these standards is to provide greater transparency to MACD's enforcement processes and promote efficiency through performance targets and public reporting.

MACD will report annually on its performance against its service standards. MACD may also adjust existing service standards and establish or retire service standards based on its operations and experience, as appropriate.

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[1] This SOA is provided without consideration of specific facts, actions, events, or conduct and does not provide a binding statement as to how MACD will proceed in particular cases. MACD retains discretion to apply the *market rules* appropriately in the particular circumstances of each case and to amend this SOA as needed. Capitalized terms have the meaning given in this document. Italicized terms that are not defined in this SOA bear the same meaning as in the *market rules* or *Electricity Act, 1998*, SO 1998 c 15 Schedule A (the "**Electricity Act**"), as the case may be. This guidance document does not supersede any findings of the *dispute resolution panel*, the *Ontario Energy Board*, the courts, or any other adjudicative body with jurisdiction over the subject matter of this document

[2] CEG documents have two forms: (1) SOAs – which provide non-binding direction as to MACD's interpretation of the rules and how they may be applied in given circumstances; and (2) Interpretation Bulletins – these are similar to SOAs in terms of general purpose, but are developed and published by the *IESO* under the authority of Chapter 1, section 12 of the *market rules*. Interpretation Bulletins are binding on the *IESO*, subject to the conditions listed in Chapter 1, section 12.1.5 of the *market rules.*

3. Service Standards

MACD's service standards are articulated in the table below.

Activity	Standard	Target
Acknowledge self-reports submitted through Online IESO or the MACD Inbox	Within 5 business days	90%
Provide updates on CEG requests	At least once every 6 months	70%
Process a self-certification	Within 6 months of the self-certification due date or complete documentation being provided to MACD, whichever is later	75%
Provide a status update or otherwise communicate about the audit to the audited *market participant*	At least once every 6 months	75%
Provide a status update or otherwise communicate about the investigation to the investigated *market participant*	At least once every 6 months	75%

These timelines are not binding and MACD may exceed these timelines in certain circumstances. The target percentage specified above should be interpreted as the percentage of cases in which MACD anticipates meeting the standard for each activity.

Acknowledge self-reports submitted through Online IESO or the MACD Inbox within 5 business days

MACD aims to acknowledge self-reports submitted through Online IESO or sent to the MACD Inbox (MACD@ieso.ca) within five business days. This is not an indication that the report has been processed,

rather acknowledgement of a self-report is acknowledgement of the receipt of the report only. MACD anticipates meeting this target for 90% of all self-reports falling under this activity.

Provide a status update on CEG requests within 6 months

MACD aims to provide *market participants* who have submitted a Compliance and Enforcement Guidance request with a high-level status update at least every six months in 70% of the requests. Such status updates may include confirmation that the request is being reviewed, a decision on the request, or indication that a CEG is under development.

Process a self-certification within 6 months

MACD aims to process self-certifications within 6 months, with a target of processing 70% of self-certifications within this timeframe. Self-certifications require *market participants* to demonstrate their compliance status with specific *reliability standards* at a particular point in time or over a period of time. When MACD requires a *market participant* to self-certify it will provide a due date for self-certification. Under this standard, MACD has 6 months from the due date for self-certification or from the date on which the *market participant* has provided complete documentation to process the self-certification. A self-certification will be considered processed when MACD auditors conclude their review and assessment of the *market participant's* compliance with applicable *reliability standards* and communicate the result of the review to the *market participant*.

Provide a status update or otherwise communicate about the audit/investigation to the audited/investigated *market participant* at least every 6 months

MACD aims to provide *market participants* who are the subject of an audit or investigation with a status update or otherwise communicate about the matter at least every six months in 70% of cases. A status update will communicate, at a high level, the status of the audit/investigation. For example, a status update may indicate that the matter remains under investigation, without specifying the investigative stage. Such level of detail is appropriate to balance the regulator's discretion in conducting an investigation with a *market participant's* desire for assurance that a matter is still being progressed. Where MACD has communicated with the *market participant* within the past 6 months, including through a meeting, request for information, email exchange, or via phone call or voicemail, such communication, a status update would not be required.

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