

MRP Implementation Batch 1: Market Manual and Market Rule changes

In order to facilitate the implementation of the market renewal program (MRP), changes are required to both *market rules* and *market manuals*. Due to the volume and complexity of changes anticipated in MRP, the *IESO* is releasing changes by 'batches'. This document describes the changes in the Market Entry and Prudential Security batch.

Generally, the following *market manual* amendments have been derived from the latest published versions of the manuals that were obtained from the [market rule and manual library](#) as of late June 2020.

Market Entry Changes

Changes to Market Manual 1.5 – Market Registration Procedures

Modifications made throughout this market manual to chronologically describe the procedures and hierarchical structure that a person must complete in order to be authorized by the *IESO* and register new applicable equipment, *facilities* and associated *resources*. A person applying for authorization is now defined within this manual as a prospective Participant or a prospective *market participant*, prospective program participant or prospective service provider. This replaces this previous use of applicant to avoid conflict with the defined *applicant*. Updates in the manual are also made to reflect elimination of the defined term *registered facility* and the introduction of *resource*. Minor formatting changes are applied throughout the manual.

Summary of changes to Market Manual 1.5

Market Manual Section	Type of Change	Description
1.1 Purpose	Modified	Section updated to include references to prerequisite requirements for program participants and service providers.
1.2 Scope	No change	The contents of this section are not updated in this revision of Market Manual 1.5.
1.3 Roles and Responsibilities	Modified	Participant responsibilities are updated to reflect registration data submissions for <i>resources</i> .
1.4 Recommended Reading	No change	The contents of this section are not updated in this revision of Market Manual 1.5.
1.5 Contact Information	No change	The contents of this section are not updated in this revision of Market Manual 1.5.

Market Manual Section	Type of Change	Description
2.1 Registering an Organization	Modified	Minor modifications include an update to reflect that Intent of Registration section of the online application form is still in transition as of mid-2020.
2.2 Registering as a Market Participant	Modified	Modifications to section include: <ul style="list-style-type: none"> • Updates to market participation types to include <i>virtual traders</i> and replacement of the term load with <i>wholesale consumer</i>. Updates provide alignment with <i>market participant</i> classes listed in the <i>market rules</i>. • Articulation of the <i>IESO</i> market entry application fee as a prerequisite requirement for prospective <i>market participants</i>. Modification is consistent with the existing process. • Removal of submission of emergency preparedness plan as prerequisite requirement for <i>market participants</i> authorizing as <i>TR participants</i>. • New prerequisite requirements for <i>market participants</i> authorizing as <i>virtual traders</i>.
2.3 Registering as a Program Participant	Modified	Minor modifications include an update to reflect that an <i>embedded generator</i> that is an <i>embedded market participant</i> can participate in the <i>operating reserve market</i> only.
2.4 Registering as a Service Provider	Modified	Minor modifications made to remove use of applicant.
2.5 IESO Notification of Participant Authorization	Modified	Minor modifications made to remove use of applicant.
3.0 Register Equipment	Modified	Section modified to indicate that a <i>market participant</i> authorized solely as a <i>TR participant</i> , <i>energy trader</i> , <i>virtual trader</i> or <i>capacity auction participant</i> is not required to complete the Register Equipment procedures.
3.1 Register Equipment Overview	Modified	Section modified to reflect newly defined <i>resource</i> .
3.2 Registering Facility, Equipment and Resource Data	Modified	Section modified to reflect newly defined <i>resource</i> .
3.3 Registration Requirements for Generators	New	Section created to describe registration data requirements unique to <i>generation facilities</i> and their associated <i>resources</i> . Section reflects the Facility Registration detailed design document which describes the <i>resource</i> data parameters to support modelling of <i>dispatchable</i> non-quick start <i>generation resources</i> and combined cycle facilities as well as new parameters to support modelling of <i>dispatchable</i> hydroelectric <i>generation resources</i> (e.g. <i>time lag</i> , <i>start indication value</i> , <i>hourly must run flag</i> , <i>shared daily energy limits</i>).

Market Manual Section	Type of Change	Description
3.4 Requirements for Generator Offer Guarantee Status	New	Section created to describe the requirements needed for a <i>dispatchable</i> non-quick start <i>generation resource</i> to attain <i>generator offer guarantee</i> status.
3.5 Registration Requirements for Wholesale Consumers	New	Section created to describe the registration requirements unique to <i>load facilities</i> and their associated <i>resources</i> . Updates are made to the <i>bid/offer</i> type <i>resource</i> data parameter to reflect participation as a <i>price-responsive load</i> .
3.6 Aggregation	Modified	Section modified to include description of <i>resource</i> compliance aggregation for <i>resources</i> that are associated with <i>generation facilities</i> on the same river system.
3.7 Variable Generation Facility Registration	Modified	Minor formatting and grammatical changes applied.
3.8 Next Steps	No change	The contents of this section are not updated in this revision of Market Manual 1.5.
4.1 Maintain Organization/Participant Registered Data	Modified	Minor modifications are applied to reflect changes to registered data for program participants and service providers.
4.2 Facility, Equipment and Resource Data Maintenance	Modified	Section modified to reflect conditions surrounding bid/offer status changes by a <i>wholesale consumer</i> that intends to change participation between a <i>dispatchable load</i> , <i>non-dispatchable load</i> or <i>price-responsive load</i> in the <i>IESO-administered markets</i> . Modifications are also made to reflect newly defined <i>resource</i> . Minor updates are made to reflect changes to registered data for program participants and service providers.
4.3 Document Changes	No change	The contents of this section are not updated in this revision of Market Manual 1.5.
5.1 Facility Deregistration	Modified	Grammar and formatting changes are applied to this section.
5.2 Market Participant, Program Participant or Service Provider Withdrawal	Modified	Section modified to include withdrawal procedures for program participants and service providers.
5.3 Market Participant Deregistration or Termination for Non-compliance	Modified	Grammar and formatting changes are applied to this section.
Appendix A: Organization Contact Roles	No change	The contents of this section are not updated in this revision of Market Manual 1.5.
Appendix B: Technical Requirements	No change	The contents of this section are not updated in this revision of Market Manual 1.5.
Appendix C: Wind Facility Data Requirements	No change	The contents of this section are not updated in this revision of Market Manual 1.5.

Market Manual Section	Type of Change	Description
Appendix D: Solar Facility Data Requirements	No change	The contents of this section are not updated in this revision of Market Manual 1.5.

Summary of Market Rule Changes

Chapter	Section	Topic	Type of Change	Description
Chapter 11	n/a	All	New, Modified, Deleted	Chapter modified to: <ol style="list-style-type: none"> 1. Support changes related to MR-00453 Prudential Security; 2. Support changes related to MR-00450-R00 Participant Authorization <i>market participant</i> classes; 3. Support changes related to MR-00451-R00 Facility Registration; 4. Include changes to support the <i>day-ahead market</i>; 5. Clarify association with the proper hierarchy of nomenclature, aligning with new definition of "<i>resource</i>"; 6. Delete <i>registered facility</i> definition; 7. General definition clean-up.
Chapter 2	1.2.2.2	Prudentials	Modified	Section modified to simplify the provision related to the <i>prudential support</i> requirements by specifying that a person must satisfy the applicable <i>prudential support</i> requirements and any other financial requirements set forth in the <i>market rules</i> .
Chapter 2	1.2.2.6, 3.1.2.2	Financial Market Participant	Modified	Sections modified to replace the reference to <i>financial market participants</i> to <i>TR participants</i> , who will continue to be exempt from HST, and to add <i>virtual traders</i> who will also be exempt from HST.
Chapter 2	1.2.2.7	Market Associates	New	Section added to obligate <i>energy traders</i> and <i>virtual traders</i> to disclose all <i>market associates</i> as part of the authorization process.
Chapter 2	1.2.4	Day-Ahead Market Authorization	New	Section added to specify that a person who is authorized by the <i>IESO</i> to conduct <i>physical transactions</i> will be authorized to participate in both the

Chapter	Section	Topic	Type of Change	Description
				<i>real-time market</i> and the <i>day-ahead market</i> .
Chapter 2	2	Classes of Market Participants	New, Modified	Section modified as a consequence of the deletion of the <i>financial market participant</i> class of <i>market participant</i> , and the addition of the <i>virtual trader</i> and <i>TR participant</i> classes respectively.
Chapter 7	1.1.1.4, 1.2.4 (new), 2 (heading), 2.1.1	Day-Ahead Market Inclusion	New, Modified	Sections modified to expand the scope of the registration requirements for physical operations to include participation in <i>day-ahead market physical transactions</i> .
Chapter 7	2.1.1.4 (new), 2.1.1.5 (new), 2.1.1.6 (new)	Market Power Mitigation Registration Requirements	New	Sections added to specify new registration requirements on <i>market participants</i> to support the establishment of reference levels for market power mitigation, and to identify <i>market associates</i> and <i>market control entities</i> for applicable <i>resources</i> .
Chapter 7	1.1, 2.1, 2.2, 2.3	Alignment with Chapter 11	Modified	Sections modified to align <i>market rules</i> content with updated Chapter 11 defined terms, mainly with the newly defined terms for <i>resource</i> and <i>boundary entity resource</i> and the deleted term of <i>registered facility</i> .
Chapter 7	2.2, 2.3	Removal of "applying" from "applying market participant"	Modified	Section modified to better align <i>market rules</i> content with the authorization process.
Chapter 7	2.2.3C	Rejection of Registration Information	New	Section added to specify <i>IESO</i> discretion to reject registration information that does not conform with technical capabilities.
Chapter 7	2.2.6A, 2.2.6H	Hydro-Electric Resources, Non-Quick Start Resources	Modified	Sections modified to specify new optional and mandatory <i>resource-specific</i> information for hydro-electric <i>resources</i> , mandatory <i>resource-specific</i>

Chapter	Section	Topic	Type of Change	Description
				information for non-quick start <i>resources</i> (2.2.6H <i>period of steady operations</i>).
Chapter 7	2.2.6B, 2.2.6F, 2.2.6G, 2.2.6I, 2.2.6J (deleted)	Generator and Pseudo-Units	Modified, Deleted	Sections modified for miscellaneous updates related to daily <i>generator</i> data and <i>pseudo-units</i> .
Chapter 7	2.2.25 (new), 2.2.26 (new)	Price Responsive Loads	New	Sections added to include registration requirements for <i>load resources</i> requesting changes to its classification as either a <i>dispatchable load</i> , <i>non-dispatchable load</i> , or <i>price responsive load</i> .
Chapter 7	2.2B (deleted), 2.2C (deleted)	Real-Time and Day-Ahead Cost Guarantee	Deleted	Sections deleted and will be relocated to Chapter 9; these sections are related to the real-time and day-ahead cost guarantees which will be replaced by the day-ahead and real-time <i>generator offer guarantees</i> .
Chapter 7	2.3	Aggregation of Resources	Modified	Section modified to clarify that aggregation occurs at the <i>resource</i> level.

Prudential Security Changes

Changes to Market Manual 5.4 – Prudential Security

This market manual has been updated to include prudential support obligations of *market participants* that intend to be authorized as *virtual traders*. The manual has been substantially formatted to present prudential support obligations by market participation type. Updates are made throughout the document to reflect new and revised market rules.

Summary of changes to Market Manual 5.4

Market Manual Section	Type of Change	Description
1.1 Purpose	Modified	Section updated to summarize purpose of <i>market manual</i> only. Description of process activities removed.
1.2 Scope	Modified	Scope updated to include process of posting <i>capacity auction deposits</i> .
1.3 Prudential Support Overview	Modified	Section updated to include an overview of: <ul style="list-style-type: none">the process for determining the <i>prudential support obligations</i> for both <i>virtual transactions</i> and <i>physical transaction</i>;the process for monitoring <i>actual exposure</i> and <i>trading limit</i> and daily screening of a <i>virtual transaction bids</i> and <i>offers</i>.
1.4 Roles and responsibilities	Modified	Section updated to provide additional detail and clarity on the prudential security process.
1.5 Contact Information	No change	The contents of this section are not updated in this revision of Market Manual 5.4.
2.1 Submitting Prudential Support Information	New	New section to provide additional detail and clarity on the prudential security process as it relates to submission of information by <i>market participants</i> conducting <i>physical transactions</i> . Requirements for submission are separated between <i>market participants</i> who are authorized as <i>energy traders</i> and those who are not.
2.2 Calculating Prudential Support Obligation for Physical Transactions	New	Section created to provide additional detail and clarity on the prudential security process as it relates to the calculation of <i>prudential support obligation</i> for a <i>market participant's physical transactions</i> . Assessment of <i>prudential support obligations</i> are separated between <i>market participants</i> that are authorized as <i>energy traders</i> and those that are not.

Market Manual Section	Type of Change	Description
2.3 Informing of Prudential Support Obligations	New	Section created to provide additional detail and clarity on the prudential security process as it relates to a three step process of informing <i>market participants</i> of their <i>prudential support obligations</i> .
2.4 Posting of Prudential Support for Physical Transactions	New	Section created to provide additional detail and clarity on the prudential security process as it relates to the posting of <i>prudential support</i> for <i>physical transactions</i> .
2.5 Updating the Prudential Support Obligation for Physical Transactions	New	Section created to provide additional detail and clarity on the prudential security process as it relates to the circumstances and related timelines for the <i>IESO's</i> review of a <i>market participant's physical transactions prudential support obligation</i> . In addition, the credit warning section has been shifted under this section and written as it applies in the context of <i>physical transactions</i> .
3.1 Estimated Actual Exposure for Physical Transactions	New	Section created to provide additional detail and clarity on the prudential security process as it relates to a <i>market participant's</i> estimated <i>actual exposure</i> for <i>physical transactions</i> . Added breakdown of <i>actual exposure</i> components (i.e. cleared-but-not-settled, Settled-but-not-invoiced) and details on the methodology for each component. Distinction is made where applicable for the components and the type of <i>resources</i> for which the components are calculated (i.e. six-day lag component used for <i>resources</i> that are not <i>dispatchable</i>).
3.2 Margin Call Warnings and Margin Calls for Physical Transactions	New	Section created to summarize the actions taken by the <i>IESO</i> as a result of daily monitoring of <i>actual exposure</i> and trading limits for <i>physical transactions</i> . These actions include issuing margin warnings as well as <i>margin calls</i> . Actions to be taken by <i>market participants</i> in response to margin warnings and <i>margin calls</i> are also provided.
4.1 Submitting Prudential Support Information for Virtual Transactions	New	Section created to describe submission of <i>prudential support</i> information for <i>virtual transactions</i> and applicability of <i>maximum daily trading limit</i> for <i>market participants</i> .
4.2 Determining Prudential Support Obligation for Virtual Transactions	New	Section created to describe <i>IESO's</i> existing five-step process for establishing <i>prudential support obligations</i> for a <i>market participant</i> that intends to be authorized as a <i>virtual trader</i> . Calculations for components of <i>prudential support obligations</i> are described in detail.
4.3 Posting of Prudential Support for Virtual Transactions	New	Section created to describe acceptable forms for posting <i>prudential support obligations</i> for <i>market participants</i> that intend to authorize as a <i>virtual trader</i> .

Market Manual Section	Type of Change	Description
4.4 Updating the Prudential Support Obligation for Virtual Transactions	New	Section created to describe process for IESO's review of <i>prudential support obligation</i> components and to provide details for updating <i>prudential support obligations</i> for existing <i>market participants</i> .
5.1 Daily Screen of Virtual Transactions	New	Section created to describe how the <i>IESO's</i> tools screen submitted <i>virtual transactions</i> for <i>bid</i> and <i>offer</i> quantities and daily dollar exposure. Formula provided for <i>market participants</i> to determine their daily dollar exposure.
5.2 Daily Monitoring of Virtual Transaction Actual Exposure and Trading Limit	New	Section created to describe how the <i>IESO</i> will monitor <i>virtual transaction actual exposure</i> and <i>trading limits</i> on a daily basis and cleared-but-not-settled and settled-but-not-invoiced components of <i>actual exposure</i> .
5.3 Price Delta for Daily Cumulative Submitted-but-not-cleared Dollar Exposure and Cleared-but-not-settled for Virtual Transactions	New	Section created to provide methodology used by the <i>IESO</i> to determine a price delta to calculate the daily cumulative submitted-but-not cleared dollar exposure and the daily cleared-but-not-settled component of <i>actual exposure</i> .
5.4 Margin Call Warnings and Margin Calls for Virtual Transactions	New	Section created to summarize the actions taken by the <i>IESO</i> as a result of daily monitoring of <i>actual exposure</i> and <i>trading limits</i> for <i>virtual transactions</i> . These actions include issuing margin warnings as well as <i>margin calls</i> . Actions to be taken by <i>market participants</i> in response to margin warnings and <i>margin calls</i> are also provided.
5.5 Consolidated Process for Monitoring Physical Transactions and Virtual Transactions	New	Section created to describe daily monitoring and <i>actual exposure</i> limits for a <i>market participant</i> that conducts <i>physical transactions</i> and <i>virtual transactions</i> .
6.1 Default Levy	Modified	Section updated to include <i>default levy</i> process for <i>virtual transactions</i> .
7.0 Capacity Prudential Requirements	Modified	Grammar and formatting changes are applied to this section.
8.0 Prudential Security Reports	New	Section created to describe publicly published annual <i>virtual transaction</i> price delta report and daily <i>virtual transaction</i> price delta report.
Appendix A: Acronyms	New	Section to describe meaning of acronyms.
Appendix B: Forms	No change	This section was not updated in this revision of market manual 5.4
Appendix C: Credit Ratings	No change	This section was not updated in this revision of market manual 5.4
Appendix D: Good Payment History	New	Section created to describe allowable reductions in <i>prudential support obligations</i> based on good payment history by <i>market participants</i> .

Market Manual Section	Type of Change	Description
Appendix E: Global Adjustment Calculation for Minimum Trading Limit and Default Protection Amount	New	Section created to describe calculation of global adjustment for <i>minimum trading limit</i> and <i>default protection amount</i> .

Summary of Market Rule Changes

Chapter	Section	Topic	Type of Change	Description
Chapter 2	5.1, 5.1.3	Prudentials - Purpose and Application	New, Modified	Section added/modified to specify which prudential <i>market rule</i> provisions are applicable to <i>market participants</i> based on their authorizations to participate in the <i>IESO-administered markets</i> .
Chapter 2	5.1.2	Prudentials - Prudential Reviews	Deleted	Delete the <i>market rule</i> obligation for the <i>IESO</i> to review the prudential regime at least once every three years.
Chapter 2	5 - throughout	Prudentials - Expand to Include DAM	Modified	Changes to incorporate the <i>day-ahead market (physical transactions and virtual transactions)</i> into the prudential framework
Chapter 2	5 - throughout	Prudentials - Exhaustive Language	New, Modified	Use of "for <i>physical transactions</i> " or "for <i>virtual transactions</i> " - some language may appear repetitive/redundant (e.g. section 5.3.1). This approach has been adopted to drafting the relevant sections of the <i>market rules</i> to reflect the fact that each respective component of the <i>maximum net exposure</i> has a distinct calculation and numeric value in respect of <i>physical transactions</i> and <i>virtual transactions</i> .
Chapter 2	5.2.7A	Prudentials - IESO authority to draw on prudential support	New	Specify the <i>IESO</i> may exercise its rights over any amount or <i>prudential support</i> that has been provided by a <i>market participant</i> irrespective of whether the <i>prudential support</i> was provided for the purpose of satisfying a <i>prudential support obligation</i> for <i>physical transactions</i> or a <i>prudential support obligation</i> for <i>virtual transactions</i> .

Chapter	Section	Topic	Type of Change	Description
Chapter 2	5.2.10	Prudentials – Retailers	New	Specify that for purposes of section 5 of the <i>market rules</i> , that a <i>retailer</i> shall be deemed to be an <i>energy trader</i> for purposes of calculating <i>prudential support obligations</i> . In other words, the <i>IESO</i> will use an estimate of the <i>energy trader's/retailer's net settlement amounts</i> when calculating <i>prudential support obligations</i> .
Chapter 2	5.3.2, 5.5.5, 5.3.3A	Prudentials - Physical Transactions: Self-Assessed Trading Limit	Modified	Eliminate the requirement for <i>market participants</i> to submit a <i>self-assessed trading limit</i> or estimated net <i>settlement amount</i> at least seven <i>business days</i> prior to a <i>billing period</i> – submissions will be accepted by the <i>IESO</i> at any time during a <i>billing period</i> ; Clarify timing of application of <i>self-assessed trading limits</i> .
Chapter 2	5.3.4, 5.3.4.1, 5.3.4.2, 5.3.4.3	Prudentials - Physical Transactions: Minimum Trading Limit calculation	Modified	Clarify calculation of <i>minimum trading limit</i> for <i>physical transactions</i> ; Replace references to <i>metered market participants</i> and <i>non-metered market participants</i> with <i>energy traders</i> and <i>non-energy traders</i> ; Codify a minimum <i>prudential support obligation</i> for <i>energy traders</i> conducting <i>physical transactions</i> who have not transacted for at least three <i>billing periods</i> .
Chapter 2	5.3.5, 5.3.6, 5.3.7	Prudentials - Physical Transactions: Trading Limits	Modified, Delete	Clarify calculation of <i>trading limit</i> ; delete <i>market rule</i> which prevents a <i>market participant</i> from requesting a change to their <i>trading limit</i> during the upcoming <i>energy period</i> - change requests will be allowed at any time.
Chapter 2	5.3.8, 5.3.8A, 5.3.8B	Prudentials - Physical Transactions: Default Protection Amount, Adjusting Trading Limits and Default Protection Amount for	Modified	Clarify calculation of <i>default protection amount</i> ; Replace references to <i>metered market participants</i> and <i>non-metered market participants</i> with <i>energy traders</i> and <i>non-energy traders</i> .

Chapter	Section	Topic	Type of Change	Description
		Physical Bilateral Contracts		
Chapter 2	5.3.10A, 5.3.10C	Prudentials - Physical Transactions: Price Basis	Modified, New	Amend the price basis used for determining a <i>market participant's</i> (for non-energy traders) <i>minimum trading limit</i> and <i>default protection amount</i> ; allow the <i>IESO</i> to use any applicable prices published by the <i>OEB</i> when determining price components required to calculate <i>prudential support obligations</i> .
Chapter 2	5.6.7	Prudentials - Physical Transactions: No Margin Call Option	New	Specify that <i>market participants</i> conducting both <i>physical transactions</i> and <i>virtual transactions</i> will be ineligible for the <i>no margin call option</i> .
Chapter 2	5.7.2A	Prudentials - Physical Transactions: Prudential Guarantee	New	Obligate <i>market participants</i> who have provided the <i>IESO</i> with a prudential guarantee and who intend to be authorized as a <i>virtual trader</i> to re-execute the revised form of prudential guarantee.
Chapter 2	5.8.2A	Prudentials - Physical Transactions: Suspension of CreditWatch provisions for Distributors	Delete	Delete the <i>market rule</i> which suspended the operation of the credit watch provisions (section 5.8.2) for <i>distributors</i> between November 2002 and February 2003. This provision is obsolete and no longer required.
Chapter 2	5.8.6, 5.8.6.3	Prudentials - Physical Transactions: Reductions for Energy Traders	Modified, New	Specify a new restriction on prudential reductions for <i>energy traders</i> - credit rating reductions under section 5.8.1 will not be allowed until the <i>energy trader</i> has conducted transactions in the <i>IESO-administered markets</i> for at least three previous <i>billing periods</i> .
Chapter 2	5C	Prudentials - Virtual Transactions	New	Create a new section for day-ahead <i>virtual transactions</i> by largely mirroring

Chapter	Section	Topic	Type of Change	Description
				the <i>physical transaction market rule</i> provisions.
Chapter 2	5C.1	Prudentials - Virtual Transactions: Trading Limit, Default Protection Amount, Maximum Net Exposure	New	Specify calculation of participant <i>trading limit</i> (TL), <i>default protection amount</i> (DPA) and <i>maximum net exposure</i> (MNE = TL + DPA).
Chapter 2	5C.1.2	Prudentials - Virtual Transactions: Maximum Daily Trading Limit	New	Obligate <i>market participants</i> to submit a <i>maximum daily trading limit</i> (in MWh).
Chapter 2	5C.1.9	Prudentials - Virtual Transactions: Price Delta	New	Specify <i>IESO</i> determined price delta for determining <i>trading limit</i> and <i>default protection amount</i> .
Chapter 2	5C.2, 5C.4	Prudentials - Virtual Transactions: Margin Call Warning and Margin Call Requirements	New	Specify <i>margin call</i> warning and <i>margin call</i> requirements (same percentage levels as <i>physical transactions</i>).
Chapter 2	5C.3	Prudentials - Virtual Transactions: Screening Methods	New	Specify the <i>IESO's</i> ability to reject <i>bids</i> and <i>offers</i> based on two virtual screening methods; Specify calculation of <i>actual exposure</i> .
Chapter 2	5C.5.2	Prudentials - Virtual Transactions: Forms of Prudential Support	New	Specify <i>prudential support</i> for <i>virtual transactions</i> must be satisfied by a letter of credit.
Chapter 2	5C.6.1	Prudentials - Virtual Transactions: Reductions	New	Specify a reduction available to virtual <i>prudential support</i> for <i>generators</i> .

Chapter	Section	Topic	Type of Change	Description
Chapter 2	5D	Prudentials - Conducting Physical and Virtual Transactions	New	Create a new section for consolidated <i>trading limit</i> , <i>actual exposure</i> calculation, monitoring, and consolidated <i>margin call</i> requirements for participants authorized to conduct both <i>physical transactions</i> and <i>virtual transactions</i> .
Chapter 2	5D.1	Prudentials - Conducting Physical and Virtual Transactions - Consolidated Trading Limit	New	Specify that the consolidated <i>trading limit</i> is the sum of the <i>trading limit</i> for <i>physical transactions</i> and <i>virtual transactions</i> .
Chapter 2	5D.2.2	Prudentials - Conducting Physical and Virtual Transactions: Consolidated Actual Exposure	New	Specify that the consolidated <i>actual exposure</i> is the sum of the <i>actual exposure</i> for <i>physical transactions</i> and <i>virtual transactions</i> .
Chapter 2	5D.3	Prudentials - Conducting Physical and Virtual Transactions	New	Specify that the <i>IESO</i> may issue a consolidated <i>margin call</i> and consequently reject <i>bids</i> and <i>offers</i> for <i>virtual transactions</i> .
Chapter 2	8	Default Levies	Modified, Delete	Incorporate consequential changes to the <i>default levy</i> provisions (i.e. expand for applicability to the <i>day-ahead market</i> - both <i>physical transactions</i> and <i>virtual transactions</i>); Amend the administrative provisions related to <i>notices of default levy</i> .
Chapter 2, Appendix 2.3	Appendix 2.3	Prudentials - Additional Provisions in Appendix 2.3	Modified	Incorporate consequential changes to Appendix 2.3 - <i>Prudential Support</i> (inclusion of the <i>day-ahead market</i>).