



Exemption Application

FOR IMO USE ONLY

Exemption ID #: _____

Submit this form by e-mail to: *exemptions@theimo.com*

Subject: *Exemption Application*

All information submitted in this process will be used by the IMO solely in support of its obligations under the *Electricity Act, 1998*, the *Ontario Energy Board Act, 1998*, the *Market Rules* and associated policies, standards and procedures and its licence. All information submitted will be assigned the appropriate confidentiality level upon receipt.

PART 1 – EXEMPTION APPLICANT - GENERAL INFORMATION

Organization Name: <u>Cardinal Power of Canada, L.P.</u>	
Market Participant/Metering Service Provider No. (if applicable): _____	IMO Help Centre (IHC) Ticket No. (if applicable): _____
Address: <u>170 Henry Street</u>	
City/Town: <u>Cardinal</u>	Province/State: <u>Ontario</u>
Postal/Zip Code: <u>K0E 1E0</u>	Country: <u>Canada</u>
Fax No.: <u>(613)-657-1402</u>	
Email Address: <u>ddmytrow@sithe.com</u>	
Main Contact	
Name: <u>Dennis A. Dmytrow</u>	
Telephone No.: <u>(613) 657-1400</u>	Fax No.: <u>(613) 657-1402</u>
E-mail Address: <u>ddmytrow@sithe.com</u>	
Web Site (URL): _____	
Alternative Contact	
Name: <u>Lori Pennell</u>	
Telephone No.: <u>(613) 657-1400</u>	Fax No.: <u>(612) 657-1402</u>
E-mail Address: <u>lpennell@sithe.com</u>	

PART 2 – INFORMATION ABOUT THE EXEMPTION APPLICATION

1. Is this exemption application being submitted for existing facilities or equipment prior to market commencement date pursuant to Section 1.5.1 of the *Exemption Application and Assessment Procedure*?

Yes

No

2. Please specify the duration for which you would like the exemption granted in days, months or years:

from coming into force of the market rules until December 31, 2015

Please cite the Market Rules section number(s) to which this Exemption Application relates:

Please cite policy, standard or procedure to which this Exemption Application relates (including section number(s)):

Appendix 4.15

PART 3 – SUBMISSIONS IN SUPPORT OF EXEMPTION APPLICATION

Attach an exemption applicant’s plan detailing:

- The manner and time within which the exemption applicant will become compliant;
- The manner in which the exemption applicant proposes to modify its equipment or facilities or otherwise conduct its operations during the period of time for which the exemption would be in effect; and
- The exemption applicant’s estimate of any costs that may be imposed on the IMO or on other Market Participants, if the exemption were granted.

The following submissions must be included, either below or as attachments:

(a) For exemption applications submitted prior to market opening for facilities/equipment in operation before or on April 17, 2000 and relating to the technical requirements of Market Rules contained in Appendix 2.2 (other than those for participant workstations or dispatch workstations), Chapter 4 (other than Sections 6.1.5 to 6.1.21), or the technical requirements set forth in Section 12 of Chapter 5:

- The exemption applicant’s assessment as to whether or not the exemption, if granted would materially:
 - ◆ impact the ability of the IMO to direct the operations and maintain the reliability of the IMO-controlled grid;
 - ◆ affect the ability of the IMO to operate the IMO-administered markets in an efficient, competitive and reliable manner.
- The exemption applicant’s assessment of whether the cost or delay to the exemption applicant of complying with the obligation or standard to which the exemption application relates is reasonable, having regard to the nature of the obligation or standard, the nature of the exemption application and the anticipated impact of non-compliance by the exemption applicant in terms of the elements referred to above.

(b) Additionally, for all other exemption applications:

- The exemption applicant’s assessment as to whether or not the exemption, if granted would materially:
 - ◆ impact the ability of the IMO to ensure non-discriminatory access to the IMO-controlled grid;
 - ◆ increase costs of market participants; or
 - ◆ increase costs of the IMO;
- An assessment of whether the exemption would, if granted, give the exemption applicant an undue preference in the IMO-administered markets;
- Where the exemption applicant is the IMO, identification of the benefit to Market Participants of compliance with the obligation or standard to which the exemption application relates relative to the financial and other resources required to achieve compliance within such deadlines as may be applicable;
- Where the exemption applicant is the IMO, the manner in which it proposes to operate the IMO-administered markets or direct the operations and maintain the reliability of the IMO-controlled grid during the period in which the exemption would be in effect;

PART 3 – SUBMISSIONS IN SUPPORT OF EXEMPTION APPLICATION

- Identification as to whether the facility or equipment that is the subject-matter of the exemption application:
 - ◆ was in service or was returned to service on the date on which the obligation or standard to which the exemption application relates came into force;
 - ◆ was ordered by the exemption applicant on or prior to the date on which the obligation or standard to which the exemption application relates came into force; or
 - ◆ was in the process of construction on or prior to the date on which the obligation or standard to which the exemption application relates came into force, and;
- An assessment of the capability of the owner of the facility to operate the facility consistent with the terms of the proposed exemption.

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PART 3 - SUBMISSION IN SUPPORT OF A EXEMPTION APPLICATION:

The Cardinal Power generation facilities are connected to the IMO Controlled Grid at a Remote Switching Station (RSS). Casco’s facility located in village of Cardinal (which is being registered as a wholesale market load) is indirectly connected to the IMO Controlled Grid, through the facilities of Cardinal Power (refer to Single Line Dwg NQL 4905R1).

The present data points for which MW & MX monitoring signals are provided to IMO are located at the RSS. They therefore measure the net injection or withdrawal of MW and MX at the RSS. Appendix 4.15 calls for the monitoring signals to be provided at the output of the generation facility. The market rules are presently under process of amendment to permit monitoring of gross generator output or net station output, but not explicitly at a point such as the Cardinal RSS.

Cardinal Power of Canada L.P. has registered its facility located in the village of Cardinal as a Transitional Scheduling Generator. Cardinal Power of Canada L.P. has also applied for an exemption which would permit it to be a self scheduling generator for the duration of its Power Purchase Agreement with OEFC, and for one year thereafter.

The monitoring of RSS values has been adequate for the historical maintenance of reliability. We understand that the monitoring of the net output at the RSS is sufficient to fulfill all IMO reliability requirements, and all market monitoring requirements at least for as long as the facility operates as a TSG or is self-scheduling.

This application therefore requests exemption during the TSG phase, and continuing for the same duration as the self-scheduling exemption application.

To the extent that market rules may be changed in the future to permit a facility such as Cardinal Power of Canada, L.P. to operate in a manner similar to self-scheduling, then either the data monitoring provisions of the market rules should also be modified, or this exemption should stay in effect.

Exemption Applicant’s Plan

The exemption applicant plant to bring the facilities into compliance with the rules then in force, by addition of the relevant data monitoring signals before the end of the exemption period.

Market Participant’s Assessment of impact on the IMO’s capabilities.

PART 3 – SUBMISSIONS IN SUPPORT OF EXEMPTION APPLICATION

From discussion with IMO staff, the applicant understands that the granting of this exemption would not impact the ability of the IMO to direct operations, and maintain reliability of the IMO Controlled Grid, or to operate the IMO administered markets.

Market Participant’s Assessment of cost or delay impacts arising from compliance.

Cardinal Power has made arrangements following earlier discussions to add AVR status to the data monitoring signals provided, but believes that the additional cost to implement the change from RSS to generation output monitoring to be a financial burden and an unnecessary expense with no value (Refer to Part 3 Attachment 1 for confidential cost estimate).

PART 4 – SUPPORTING DOCUMENTATION TO BE ATTACHED BY EXEMPTION APPLICANT

Please list below all supporting documents attached to this exemption application.

1. Exemption Applicant’s Plan (must be attached)
2. Single Line Drawing NQL 4905R1
- 3.
- 4.
- 5.

PART 5 – CERTIFICATION

The exemption applicant hereby declares that the information contained in and submitted in support of this document is, to the best of the exemption applicant’s knowledge, complete and accurate.

Dennis A. Dmytrow

General Manager

Name

Title

PART 6 – CONFIDENTIALITY

The exemption applicant agrees that information on this application may be posted in its entirety on the IMO Web site in accordance with the provisions of the *Exemption Application and Assessment Procedure*

OR

The exemption applicant claims confidentiality over parts of the Exemption Application in accordance with Section 1.6.3 of the *Exemption Application and Assessment Procedure*. Parts of this Exemption Application over which confidentiality is claimed are highlighted. The balance of the information on this exemption application may be posted on the IMO Web site.

Dennis A. Dmytrow _____

General Manager _____

Name

Title