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## Market Rule Amendment Proposal

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### PART 1 – MARKET RULE INFORMATION

Identification No.:	<b>MR-00311-R00</b>		
Subject:	<b>Reliability</b>		
Title:	<b>Emergency Load Reduction Program – Participation and Operation</b>		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	7	Appendix:	
Sections:	15 (new)		
Sub-sections proposed for amending:			

### PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Submitted for Technical Panel Review	March 2, 2006
2.0	Publish for Stakeholder Review and Comment	March 7, 2006
3.0	For Technical Panel Review and Vote to Recommend	March 23, 2006
4.0	Recommended by Technical Panel: Submitted for IESO Board Approval	March 28, 2006
Approved Amendment Publication Date:		
Approved Amendment Effective Date:		

### PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

Provide a brief description of the following:

- The reason for the proposed amendment and the impact on the *IESO-administered markets* if the amendment is not made.
- Alternative solutions considered.
- The proposed amendment, how the amendment addresses the above reason and impact of the proposed amendment on the *IESO-administered markets*.

#### Summary

This amendment proposal specifies the obligations, permissions, and authorities for the IESO and market participants necessary to implement the Emergency Load Reduction Program (ELRP). The ELRP creates incentives for Ontario load to help address the reliability needs of the province. The ELRP would form part of the IESO Emergency Operating State Control Action (EOSCA) list for responding to emergency situations. The program would be implemented as one of the initial steps on the EOSCA list, in order to reduce the reliance on emergency control actions such as voltage reductions, requesting Ontario generators to apply for environmental variances, and emergency energy purchases from neighbouring jurisdictions. The program is intended to be implemented as one of several initiatives being proposed to provide reliability enhancements for the summer of 2006, but it is also expected to be an ongoing feature of the IESO-administered market.

#### Background

See amendment submission MR-00311-Q00 [http://www.ieso.ca/imoweb/pubs/mr2006/mr\\_00311-Q00.pdf](http://www.ieso.ca/imoweb/pubs/mr2006/mr_00311-Q00.pdf) and the Emergency Load Reduction Program design document [http://www.ieso.ca/imoweb/pubs/consult/se8/se8\\_dr-20051221-program.pdf](http://www.ieso.ca/imoweb/pubs/consult/se8/se8_dr-20051221-program.pdf).

#### Discussion

It is proposed to insert a new, self-contained section 15, “Emergency Load Reduction Program” into chapter 7 of the market rules as follows:

##### Section 15.1 – Eligibility Requirements for the Emergency Load Reduction Program

- Insert section 15.1.1 to specify that market participants are eligible to participate in the Emergency Load Reduction Program (ELRP) provided specified criteria are met. These criteria are set out in sub-sections 15.1.1.1, and 15.1.1.2.
- Insert sub-section 15.1.1.1 to specify that the market participant needs to provide a minimum level of 1 MW of demand reduction.
- Insert sub-section 15.1.1.2 to specify that the market participant needs to submit to the IESO a Measurement and Verification plan for the demand reduction and the IESO is satisfied with that plan. The Measurement and Verification plan is necessary to ensure that an offered reduction in demand grid materializes when activated by the IESO and to ensure ELRP participants are paid in accordance with their actual activated demand reduction.
- Insert section 15.1.2 to permit the IESO to refuse participation in the ELRP by a market participant if that participation would negatively impact the reliable operation of the IESO-controlled grid. This authority is deemed to be necessary in the event of a prospective ELRP participant having previously created reliability issues for the IESO-controlled grid which may

**PART 3 – EXPLANATION FOR PROPOSED AMENDMENT**

necessitate their exclusion from ELRP participation.

- Insert section 15.1.3 to permit the IESO to remove a market participant from the ELRP if their continuing participating in the program would negatively impact the reliable operation of the IESO-controlled grid. It is also proposed to permit the IESO to temporarily remove a market participant from participating in the ELRP if conditions on the IESO-controlled grid are such that their participation would negatively impact the reliable operation of the IESO-controlled grid.

Section 15.2 - Emergency Load Reduction Program Parameters

- Insert section 15.2.1 to specify that the IESO Board shall set the prices to be paid for standby fees and activation fees necessary for the operation of the ELRP.
- Insert section 15.2.2 to specify the permission for the IESO Board or its delegate to establish the program parameters for the ELRP including but not limited to: the days of operation (sub-section 15.2.2.1); the hours of operation (sub-section 15.2.2.2); and the number of activation notices per Emergency Load Reduction Program participant per day (sub-section 15.2.2.3). The delegation of the authority for establishing program parameters has been included to provide greater flexibility in the ELRP operation by allowing a senior officer of the IESO (e.g., the Chief Operating Officer) to undertake this responsibility if delegated by the Board. This would, in turn, allow the IESO to modify the functioning of key elements of the ELRP in a timely fashion, if necessary, rather than requiring an IESO Board decision.
- Insert section 15.2.3 to obligate the IESO to publish all ELRP prices and program parameters established in accordance with sections 15.2.1 and 15.2.2.
- Insert section 15.2.4 to obligate the IESO to provide a minimum of 5 business days notice for any changes to ELRP parameters established in accordance with section 15.2.1 and 15.2.2. This will provide notice to ELRP participants of any important changes to the program.

Section 15.3 – Operation of the Emergency Load Reduction Program

- Insert section 15.3.1 to obligate the IESO to notify market participants and publish, in accordance with the applicable market manual, any initiation of the ELRP for a given dispatch day.
- Insert section 15.3.2 to obligate a market participant in the ELRP to notify the IESO of its intent to provide a demand reduction for the dispatch day determined in accordance with section 15.3.1. Upon this notification the market participant would be eligible to receive a standby payment.
- Insert section 15.3.3 to obligate a market participant participating in the ELRP and which has notified the IESO in accordance with section 15.3.2 to activate its demand reduction upon the IESO's direction unless such activation would endanger the safety of any person, damage equipment, or violate any applicable law.
- Insert section 15.3.4 to permit the IESO to reduce or not pay at all the market participant's standby fee in accordance with the applicable market manual if the market participant does not activate its demand reduction in accordance with section 15.3.3. In addition it is proposed to specify in this circumstance that the market participant shall also be subject to compliance actions in accordance with section 6 of Chapter 3.

**PART 3 – EXPLANATION FOR PROPOSED AMENDMENT**

- Insert section 15.3.5 to obligate a market participant in the ELRP to confirm to the IESO that any activated demand reduction was not also being applied by the participant to any other demand reduction program or service. This would prevent the double counting of activated demand reduction services being provided by the ELRP participant.
- Insert section 15.3.6 to obligate the IESO to publish, in accordance with the applicable market manual, any demand response activation under the ELRP and the results of this activation. This information would include the amount of activated demand response under the ELRP and the corresponding dates for such activation. Which specific report (daily, weekly, monthly) this information will be contained within has yet to be defined and is dependent upon the length of time it will require for the IESO to verify the precise amount of activated demand response.

**PART 4 – PROPOSED AMENDMENT**

## 15. Emergency Load Reduction Program

### 15.1 Eligibility Requirements for the Emergency Load Reduction Program

15.1.1 A market participant is eligible to participate in the Emergency Load Reduction Program provided that:

15.1.1.1 the market participant demonstrates to the satisfaction of the IESO that it can provide a minimum level of 1 MW of demand reduction; and,

15.1.1.2 the market participant has submitted to the IESO a measurement and verification plan and the IESO is satisfied with the plan.

15.1.2 The IESO may refuse participation in the Emergency Load Reduction Program by a market participant if their participation would negatively impact the reliable operation of the IESO-controlled grid.

15.1.3 The IESO may remove a market participant that is participating in the Emergency Load Reduction Program if its continued participation would negatively impact the reliable operation of the IESO-controlled grid. The IESO may temporarily remove a market participant that is participating in the Emergency Load Reduction Program if the conditions on the IESO-controlled grid are such that their participation would negatively impact the reliable operation of the IESO-controlled grid.

## **15.2 Emergency Load Reduction Program Parameters**

15.2.1 The IESO Board shall set the prices to be paid for standby fees and activation fees necessary for the operation of the Emergency Load Reduction Program.

15.2.2 The IESO Board or its delegate may establish the program parameters for the operation of the Emergency Load Reduction Program including but not limited to the following:

15.2.2.1 the days of operation;

15.2.2.2 the hours of operation; and,

15.2.2.3 the number of activation notices per Emergency Load Reduction Program participant per day.

15.2.3 The IESO shall publish all Emergency Load Reduction Program parameters and prices established under section 15.2.1 and 15.2.2.

15.2.4 The IESO shall notify market participants at least 5 business days in advance of:

- the day the Emergency Load Reduction Program could first be used;
- the day that any adjustments to the program parameters determined under section 15.2.2 will come into effect; and,
- the day that any adjustments to the prices determined by the IESO Board under section 15.2.1 will come into effect.

## **15.3 Operation of the Emergency Load Reduction Program**

15.3.1 The IESO shall notify market participants and publish, in accordance with the applicable market manual, the initiation of the Emergency Load Reduction Program for a given dispatch day.

15.3.2 Following the IESO notification under section 15.3.1 a market participant that intends to participate in the Emergency Load Reduction Program for the dispatch day shall notify the IESO, in accordance with the applicable market manual, of its intent to provide a demand reduction of a minimum of 1 MW for the dispatch day.- Upon this notification the market participant shall be eligible to receive a standby payment.

15.3.3 A market participant participating in the Emergency Load Reduction Program which has notified the IESO in accordance with section 15.3.2, shall, upon the IESO's direction, activate its demand reduction in accordance with the applicable market manual unless such activation would endanger the safety of any person, damage equipment, or violate any applicable law.

- 15.3.4 If a *market participant* does not reduce its demand in accordance with section 15.3.3, the *IESO* may reduce or not pay at all the *market participant's* standby fee. The *market participant* shall also be subject to compliance actions in accordance with section 6 of Chapter 3.
- 15.3.5 A *market participant* participating in the Emergency Load Reduction Program shall confirm in accordance with the applicable *market manual* to the *IESO* that any activated *demand* reduction was not also applied to any other *demand* reduction program or service.
- 15.3.6 The *IESO* shall report, in accordance with the applicable *market manual*, any *demand* reduction activation under the Emergency Load Reduction Program and the results thereof.

**PART 5 – IESO BOARD COMMENTS**

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## Market Rule Amendment Proposal

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### PART 1 – MARKET RULE INFORMATION

Identification No.:	<b>MR-00311-R01</b>		
Subject:	<b>Reliability</b>		
Title:	<b>Emergency Load Reduction Program - Settlements</b>		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	9	Appendix:	
Sections:	4.7F (new), 4.8		
Sub-sections proposed for amending:	4.8.1.14 (new), 4.8.2.9 (new)		

### PART 2 – PROPOSAL HISTORY – PLEASE REFER TO R00

Version	Reason for Issuing	Version Date
Approved Amendment Publication Date:		
Approved Amendment Effective Date:		

**PART 3 – EXPLANATION FOR PROPOSED AMENDMENT**

Provide a brief description of the following:

- The reason for the proposed amendment and the impact on the *IESO-administered markets* if the amendment is not made.
- Alternative solutions considered.
- The proposed amendment, how the amendment addresses the above reason and impact of the proposed amendment on the *IESO-administered markets*.

**Summary**

This amendment proposal specifies the obligations, permissions, and authorities for the IESO and market participants necessary to implement the settlement of the Emergency Load Reduction Program.

**Background**

See amendment submission MR-00311-Q00 [http://www.ieso.ca/imoweb/pubs/mr2006/mr\\_00311-Q00.pdf](http://www.ieso.ca/imoweb/pubs/mr2006/mr_00311-Q00.pdf) and the Emergency Load Reduction Program design document [http://www.ieso.ca/imoweb/pubs/consult/se8/se8\\_dr-20051221-program.pdf](http://www.ieso.ca/imoweb/pubs/consult/se8/se8_dr-20051221-program.pdf).

**Discussion**

It is proposed to insert a new section 4.7F, “Emergency Load Reduction Program” into chapter 9 of the market rules as follows:

- Insert section 4.7F.1 to obligate market participants participating in the Emergency Load Reduction Program (ELRP) to provide to the IESO settlement data in the time and manner specified in the applicable market manual. The IESO would be permitted to audit any settlement data and supporting information submitted by an ELRP participant as a measure to ensure the IESO-administered market is providing appropriate payments for demand reductions undertaken by market participants.
- Insert section 4.7F.2 to obligate the IESO to remit ELRP payments, if any, to the applicable market participant in the time and manner specified in the applicable market manual.
- Insert section 4.7F.3 to permit the IESO to recover any previous ELRP payment, or portion thereof, if the IESO’s audit of the market participant’s settlement data and supporting information indicates an overpayment was made to the market participant.

It is proposed to amend section 4.8 “Additional Non-Hourly Settlement Amounts” of Chapter 9 of the market rules as follows:

- Insert sub-section 4.8.1.14 to obligate the IESO, at the end of each energy market billing period, to recover from market participants any compensation paid in that energy market billing period to ELRP participants in accordance with section 4.7F. The recovery shall be on a pro-rata basis across all allocated quantities of energy withdrawn at all registered wholesale meters and intertie metering points during all metering intervals and settlement hours within that energy market billing period.
- Insert sub-section 4.8.2.9 to obligate the IESO at the end of each energy market billing period to distribute to market participants any recovered over-payments that may have been made to

**PART 3 – EXPLANATION FOR PROPOSED AMENDMENT**

ELRP participants in accordance with section 4.7F. The distribution shall be on a pro-rata basis across all allocated quantities of energy withdrawn at all registered wholesale meters and intertie metering points during all metering intervals and settlement hours within that energy market billing period any over-payments that may have been made to ELRP participants.

**PART 4 – PROPOSED AMENDMENT****4.7F Emergency Load Reduction Program**

- 4.7F.1 A market participant participating in the Emergency Load Reduction Program shall provide settlement data to the IESO in the time and manner specified in the applicable market manual. The IESO may audit any submitted settlement data and supporting information.
- 4.7F.2 The IESO shall remit Emergency Load Reduction Program payments, if any, to the applicable market participant in the time and manner specified in the applicable market manual.
- 4.7F.3 The IESO may recover from a market participant any previous Emergency Load Reduction Program payment or portion thereof if the audit of the market participant's settlement data and supporting information submitted under section 4.7F.1 indicates an overpayment was made to the market participant.

**4.8 Additional Non-Hourly Settlement Amounts**

- 4.8.1 The IESO shall, at the end of each *energy market billing period*, recover from *market participants*, on a pro-rata basis across all allocated quantities of *energy* withdrawn at all *RWMs* and *intertie metering points* during all *metering intervals* and *settlement hours* within that *energy market billing period*, the following amounts:
- 4.8.1.1 any compensation paid in that *energy market billing period* by the IESO pursuant to section 5.3.4 of Chapter 4;
  - 4.8.1.2 any compensation paid in that *energy market billing period* by the IESO pursuant to section 5.3.4 of Chapter 5;
  - 4.8.1.3 any out-of-pocket expenses paid in that *energy market billing period* by the IESO pursuant to section 6.7.4 of Chapter 5;
  - 4.8.1.4 any compensation paid in that *energy market billing period* by the IESO pursuant to section 8.4A.9 of Chapter 7;

- 4.8.1.5 any costs incurred in that *energy market billing period* by the *IESO* to acquire *emergency energy* pursuant to section 2.3.3A of Chapter 5; and
  - 4.8.1.6 any reimbursement paid in that *energy market billing period* by the *IESO* pursuant to section 2.1A.12.2(a);
  - 4.8.1.7 any funds borrowed by the *IESO* and any associated interest costs incurred by the *IESO* in the preceding *energy market billing period* pursuant to section 6.14.5.2;
  - 4.8.1.8 any compensation paid in that *energy market billing period* by the *IESO* pursuant to section 4.7A;
  - 4.8.1.9 any compensation paid in that *energy market billing period* by the *IESO* pursuant to section 4.7B.3;
  - 4.8.1.10 any compensation paid in that *energy market billing period* by the *IESO* pursuant to section 4.7C;
  - 4.8.1.11 any compensation paid in that *energy market billing period* by the *IESO* pursuant to section 8.2.6 of Chapter 5;
  - 4.8.1.11 any compensation paid in that *energy market billing period* by the *IESO* under section 4.7D;
  - 4.8.1.12 any compensation paid in that *energy market billing period* by the *IESO* under section 4.7E; ~~and~~
  - 4.8.1.13 any day-ahead *intertie offer* guarantee costs that are not recovered as a component of *hourly uplift* under section 3.9.4; ~~and-~~
  - 4.8.1.14 any compensation for Emergency Load Reduction Program participants paid in that *energy market billing period* by the *IESO* pursuant to section 4.7F.
- 4.8.2 The ~~*IESOM*~~ shall, at the end of each *energy market billing period*, distribute to *market participants*, on a pro-rata basis across all allocated quantities of *energy* withdrawn at all *RWMs* and *intertie metering points* during all *metering intervals* and *settlement hours* within that *energy market billing period*, the following amounts:
- 4.8.2.1 any compensation received by the ~~*IESOM*~~ for the provision of *emergency energy* pursuant to section 4.4A.1 of Chapter 5;
  - 4.8.2.2 any compensation received by the ~~*IESOM*~~ as a result of a local market power investigation as set out in sections 1.7.1 and 1.7.2 of Appendix 7.6;

- 4.8.2.3 any adjustments to *inertie offer guarantee settlement* credits for wheeling through transactions, in accordance with section 3.5.8.1 of Chapter 7, calculated pursuant to section 3.8A.3;
- 4.8.2.4 any adjustment to *hour-ahead dispatchable load offer* guarantee payments calculated pursuant to section 6.2.7.7 of chapter 3;
- 4.8.2.5 any payments recovered by the ~~IESOMO~~ in accordance with section 3.5.1A of chapter 9;
- 4.8.2.6 any adjustments made by the ~~IESOMO~~ in accordance with section 3.5.7 of Chapter 9;
- 4.8.2.7 any adjustments to Transitional Demand Response Program payments pursuant to section 4.7C; and
- 4.8.2.8 any proceeds from the day-ahead import failure charge that are not distributed as a component of *hourly uplift* under section 3.9.4; ~~and~~;
- 4.8.2.9 any adjustments to Emergency Load Reduction Program payments pursuant to section 4.7F.

#### **PART 5 – IESO BOARD COMMENTS**

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## Market Rule Amendment Proposal

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### PART 1 – MARKET RULE INFORMATION

Identification No.:	<b>MR-00311-R02</b>		
Subject:	<b>Reliability</b>		
Title:	<b>Emergency Load Reduction Program – Initiation Conditions</b>		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	5	Appendix:	
Sections:	5.8, 5.9		
Sub-sections proposed for amending:	5.8.1.5, 5.9.1.6		

### PART 2 – PROPOSAL HISTORY – PLEASE REFER TO R00

Version	Reason for Issuing	Version Date
Approved Amendment Publication Date:		
Approved Amendment Effective Date:		

### PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

Provide a brief description of the following:

- The reason for the proposed amendment and the impact on the *IESO-administered markets* if the amendment is not made.
- Alternative solutions considered.
- The proposed amendment, how the amendment addresses the above reason and impact of the proposed amendment on the *IESO-administered markets*.

#### Summary

This amendment proposes to authorize the IESO to initiate demand reductions through the Emergency Load Reduction Program when an Emergency Operating State or High-Risk Operating State has been declared. This authority is necessary so that market participants and the IESO have clear expectations as to when the Emergency Load Reduction Program would be initiated. In particular, it is necessary to specify in the market rules that the Emergency Load Reduction Program could only be initiated when the IESO-administered markets are operating in either an emergency operating state or a high-risk operating state.

#### Background

See amendment submission MR-00311-Q00 [http://www.ieso.ca/imoweb/pubs/mr2006/mr\\_00311-Q00.pdf](http://www.ieso.ca/imoweb/pubs/mr2006/mr_00311-Q00.pdf) and the Emergency Load Reduction Program design document [http://www.ieso.ca/imoweb/pubs/consult/se8/se8\\_dr-20051221-program.pdf](http://www.ieso.ca/imoweb/pubs/consult/se8/se8_dr-20051221-program.pdf).

#### Discussion

It is proposed to amend sub-section 5.8.1.5 of Chapter 5 to include the IESO's issuing of directions under an Emergency Operating State to Emergency Load Reduction Program participants to reduce demand in accordance with section 15.3 of Chapter 7.

It is also proposed to amend sub-section 5.9.1.6 of Chapter 7 to include the IESO's issuing of directions under a High-Risk Operating State to Emergency Load Reduction Program participants to reduce demand in accordance with section 15.3 of Chapter 7.

This amendment would also clarify that the Emergency Load Reduction Program is an Emergency Control Action. A consequential result of this amendment is that the IESO would be required to add the quantity of activated demand reduction from Emergency Load Reduction Program participants back into the market schedule in accordance with section 3.2.1.12 of Appendix 7.5.

### PART 4 – PROPOSED AMENDMENT

## 5.8 Operation Under an Emergency Operating State

- 5.8.1 Once an *emergency operating state* has been declared by the ~~IESO~~, the ~~IESO~~ may take such action as it determines appropriate including, but not limited to:

- 5.8.1.1 [Intentionally left blank]
- 5.8.1.2 [Intentionally left blank]
- 5.8.1.3 [Intentionally left blank]
- 5.8.1.4 coordinating with other security coordinators; acquiring emergency energy in accordance with section 2.3.3A;
- 5.8.1.5 issuing directions to *market participants* to reduce demand through voltage reductions and interruptions in accordance with section 10.3 [and through the Emergency Load Reduction Program in accordance with section 15.3 of Chapter 7](#); and
- 5.8.1.6 operate to those security limits appropriate for an *emergency operating state* to allow for increased power transfers.

## 5.9 Operation Under a High-Risk Operating State

5.9.1 Once a *high-risk operating state* has been declared by the ~~IESO~~IMO, the ~~IMO~~IESO may take such action as it determines appropriate including, but not limited to:

- 5.9.1.1 [Intentionally left blank]
- 5.9.1.2 [Intentionally left blank]
- 5.9.1.3 [Intentionally left blank]
- 5.9.1.4 operating to security limits appropriate for a high-risk state;
- 5.9.1.5 coordinating with neighbouring security coordinators;
- 5.9.1.6 issuing directions to *market participants* to reduce demand through voltage reductions or interruptions in accordance with section 10.3 [and through the Emergency Load Reduction Program in accordance with section 15.3 of Chapter 7](#); and
- 5.9.1.7 temporarily and selectively increase the level of security on the ~~IESO~~IMO-controlled grid.

**PART 5 – IESO BOARD COMMENTS**

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## Market Rule Amendment Proposal

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### PART 1 – MARKET RULE INFORMATION

Identification No.:	<b>MR-00311-R03</b>		
Subject:	<b>Emergency Load Reduction Program</b>		
Title:	<b>Settlements - Metering</b>		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	9	Appendix:	
Sections:			
Sub-sections proposed for amending:	2.1.1.A		

### PART 2 – PROPOSAL HISTORY – PLEASE REFER TO MR-00311-R00

Version	Reason for Issuing	Version Date
Approved Amendment Publication Date:		
Approved Amendment Effective Date:		

### PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

Provide a brief description of the following:

- The reason for the proposed amendment and the impact on the *IESO-administered markets* if the amendment is not made.
- Alternative solutions considered.
- The proposed amendment, how the amendment addresses the above reason and impact of the proposed amendment on the *IESO-administered markets*.

#### Summary

This amendment proposes to permit the IESO to determine settlement amounts for the ELRP using the means specified in an approved measurement and verification plan rather than using a registered wholesale meter.

This amendment is necessary as some potential participants in the ELRP may not meet the requirements for a registered wholesale meter currently specified in Chapter 6 of the market rules. The Chapter 6 requirements are judged to be an unnecessary barrier to participation for these potential participants given the ELRP design elements related to measurement, verification and audit of load reductions. This barrier would thereby reduce participation in ELRP and the effectiveness of ELRP.

#### Background

See amendment submission MR-00311-Q00 [http://www.ieso.ca/imoweb/pubs/mr2006/mr\\_00311-Q00.pdf](http://www.ieso.ca/imoweb/pubs/mr2006/mr_00311-Q00.pdf) and the Emergency Load Reduction Program design document [http://www.ieso.ca/imoweb/pubs/consult/se8/se8\\_dr-20051221-program.pdf](http://www.ieso.ca/imoweb/pubs/consult/se8/se8_dr-20051221-program.pdf).

#### Discussion

Currently the market rules only permit a registered wholesale meter to be used for determining settlement amounts, with some limited exceptions. Based on stakeholder feedback, some potential participants in ELRP are not currently market participants and would not be able to meet the market rule Chapter 6 requirements for a registered wholesale meter (e.g. embedded distributed load). Stakeholders have identified that meeting the existing requirements of Chapter 6 is a significant barrier to entry: significant both in terms of costs and time required to effect the necessary changes.

Such a significant barrier to entry is inappropriate given:

- the proposed need for the participant to submit a load reduction measurement and verification plan to the IESO for approval (refer to MR-00311-R00); and
- the proposed right of the IESO to audit participant actual load reduction information submitted under the measurement and verification plan and to recover any over-payments (refer to MR-00311-R00).

Removing this barrier for these potential participants is necessary to increase prospects for participation in ELRP, enhance the effectiveness of the reliability benefits of ELRP and increase Ontario demand response in general.

Therefore, it is proposed to permit the IESO to determine the demand reduction settlement amounts for an ELRP participant on the basis of a measurement and verification plan submitted and approved under section 15.1.1. of Chapter 7 (please refer to MR-00311-R00).

**PART 4 – PROPOSED AMENDMENT****2.1 Metering and Metering Responsibilities**

2.1.1 Subject to section 2.1.1A, every *meter* utilised for determining *settlement amounts* according to this Chapter must be a *registered wholesale meter (RWM)*.

2.1.1A Nothing in section 2.1.1 shall be construed as requiring the ~~IMO~~-*IESO* to determine *settlement amounts* on the basis of an *RWM* in circumstances where-:

2.1.1A.1 it is permitted to use another *meter* for this purpose pursuant to section 3.1.4A; or

2.1.1A.2 -in circumstances where the ~~IMO~~-*IESO* has determined that determination of *settlement amounts* using a *metering installation* whose registration has expired is required for the efficient operation of the ~~IMO~~-*IESO*-administered markets; or

2.1.1A.3 the *IESO* is determining *settlement amounts* related to the Emergency Load Reduction Program specified in section 15 of Chapter 7 using a measurement and verification plan referred to in section 15.1.1.2 of Chapter 7.

**PART 5 – IESO BOARD COMMENTS**

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