



## Market Rule Amendment Proposal

### PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00318-R00		
Subject:	Day-Ahead Commitment Process (DACP)		
Title:	Temporary Extension to Notice of Disagreement (NoD) Window		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	9	Appendix:	
Sections:	6.3		
Sub-sections proposed for amending:	6.3.10, 6.3.10A (new)		

### PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Submit for Technical Panel Review	April 7, 2006
2.0	Publish for Stakeholder Review and Comment	April 11, 2006
3.0	Submit for Technical Panel Review	April 25, 2006
4.0	Recommended by Technical Panel and Submitted for IESO Board Approval	May 2, 2006
5.0	Approved by IESO Board	May 8, 2006
Approved Amendment Publication Date:	May 9, 2006	
Approved Amendment Effective Date:	May 31, 2006	

### 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

It is proposed to temporarily extend the time period during which market participants may submit a Notice of Disagreement (NoD) from four business days to five business days for two billing periods following the first use of the Day-Ahead Commitment Process.

The rule amendment is necessary to aid the implementation of the new and revised market system settlement tools and processes for the Day-Ahead Commitment Process (DACP). The temporary extension will give participants five business days (an extension of 25% more time) to review their preliminary settlement statements and, if necessary, to notify the IESO of errors or omissions found in the statement by submitting a NoD.

#### Background

Stakeholders on the Day-Ahead Commitment Process (DACP) Trials Working Group identified an issue with the length of the Notice of Disagreement (NoD) window. Under the current market rules (chapter 9 section 6.3.10), market participants have four business days after the IESO issues a preliminary settlement statement to notify the IESO of errors or omissions found in the statement by means of a Notice of Disagreement.

The DACP Trials Working Group has two concerns:

- some market system DACP settlement tools may not be fully tested by market participants in time for the May 31 DACP implementation; and
- the implementation of DACP will introduce new charge types into the settlements process and alter the calculation of some existing charge types.

The stakeholders identified that a longer NoD window is needed to aid in the transition to the new DACP settlement processes and new/revised charge types appearing on the market participants' settlement statements. The market has, in the past, accommodated a temporary extension to the NoD window to facilitate participant review of settlement statements. For the opening of the electricity market in 2002, the NoD window was set at five business days for a number of months before being shortened to the current four business day window.

A temporary extension of the time period to file a NoD is appropriate for two reasons:

1. over time participants and the IESO should gain sufficient experience and confidence in the DACP settlement systems and processes such that a return to the four business day NoD window is appropriate; and
2. DACP is a temporary program and should not permanently affect other elements of the market.

#### Discussion

**PART 3 – EXPLANATION FOR PROPOSED AMENDMENT**

In order to aid the transition to the DACP settlement systems and processes, it is proposed to amend the market rules (Chapter 9, section 6.3) to temporarily extend the Notice of Disagreement window from four business days to five business days. This temporary extension would be in effect for a length of two billing periods following the first use of the DACP, in order to allow the IESO and participants to work through two billing period sets of DACP settlement processes and data. Two billing periods is judged to be sufficient time to allow market participants and the IESO to identify and correct any issues and problems with the new and revised settlement tools and processes.

**PART 4 – PROPOSED AMENDMENT****6.3 Settlement Cycles****Real-Time Markets**

6.3.9 Subject to sections 6.3.20 and 6.3.21.1, the *preliminary settlement statement* for each *trading day* in the *real-time markets* and in the *TR market*, other than in respect of the element referred to in section 6.3.1 shall be issued ten *business days* after the *trading day*. The *preliminary settlement statement* shall, subject to section 6.3.23, constitute the basis for initial invoicing and billing.

6.3.10 After the *preliminary settlement statement* referred to in section 6.3.9 is issued, each *market participant* shall, subject to sections [6.3.10A](#), 6.3.18.1, 6.3.21.2 and 6.3.22.2, have four *business days* to notify the *IESO* of errors or omissions in the *preliminary settlement statement* in accordance with section 6.6.

[6.3.10A](#) Each *market participant* shall have five *business days* to notify the *IESO* of errors or omissions in the *preliminary settlement statements* issued for each of the *trading days* of the first two *billing periods* following the first use of the day-ahead commitment process referred to in section 1.7.3 of chapter 7.

**PART 5 – IESO BOARD DECISION RATIONALE**

Insert Text Here





## Market Rule Amendment Proposal

### PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00318-R01		
Subject:	Day-Ahead Commitment Process (DACP)		
Title:	Change to IESO Settlement Schedule & Payments Calendar (SSPC) resulting from Temporary Change to Notice of Disagreement (NoD) Window		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input checked="" type="checkbox"/> Addition
Chapter:	9	Appendix:	
Sections:	6.2		
Sub-sections proposed for amending:	6.2.5, 6.2.6 (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 proposes to obligate the IESO to publish a revised Settlement Schedule & Payments Calendar (SSPC) to reflect the changes proposed under R00 and make this revised SSPC binding on the IESO and the market participants.

The amendment will ensure that the published SSPC is consistent with the change to the NoD window as proposed under R00 and clarify that the IESO and market participants need to comply with the revised SSPC.

**Background**

Refer to MR-00318-R00.

With the change to the NoD window proposed under MR-00318-R00, the existing published SSPC would be incorrect. The SSPC specifies the actual settlement dates for a given calendar year, including the dates by which market participants can submit a NoD for a given trading day. An incorrect SSPC could result in confusion and/or disputes as to the correct time for market participants to submit a NoD.

**Discussion**

In order to ease the transition to the DACP, it is proposed to amend the market rules (Chapter 9, section 6.2) and obligate the IESO to publish a revised Settlement Schedule & Payments Calendar to accommodate the temporary extension of the Notice of Disagreement window from four business days to five business days. It is also proposed for the rules to clarify that the revised SSPC is binding on both the IESO and market participants.

**PART 4 – PROPOSED AMENDMENT****6.2 Settlement Schedule and Payments Calendar**

- 6.2.1 At least 60 days prior to the *market commencement date*, and by October 15 of each year subsequent to the *market commencement date*, the *IESO* shall *publish* a draft *IESO Settlement Schedule & Payments Calendar* or *SSPC* for the following calendar year (or, in the case of the calendar year in which the *market commencement date* occurs, for the remainder of the calendar year) showing the

following dates, fixed, subject to sections 6.3.20 to 6.3.29, in accordance with the relevant provisions of this section 6:

6.2.5 The final *SSPC* shall, subject to sections [6.2.6](#), 6.3.20 to 6.3.29, be binding on the *IESO* and on *market participants*.

[6.2.6](#) For the period that section 6.3.10A is in effect, the *IESO* shall publish a revised *SSPC* to reflect the dates by which *market participants* must notify the *IESO* of any errors or omissions in each of the *preliminary settlement statements* referred to in section 6.2.1.2. The revised *SSPC* shall be binding on the *IESO* and market participants.

#### **PART 5 – IESO BOARD DECISION RATIONALE**

These rule amendments will aid the implementation of the new and revised market system settlement tools and processes for the Day-Ahead Commitment Process (DACP).