



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.: MR-00210	
Subject: Energy Offers and Bids and Operating Reserve Offers	
Title: Intertie Transaction Offers/Bids to the Whole MW	
Nature of proposal (please indicate with X): <u> X </u> Alteration <u> </u> Deletion <u> </u> Addition	
Chapter: 7	Appendix:
Sections: 3.5 & 3.6	
Sub-sections proposed for amending: 3.5.3 and 3.6.2	

PART 2 – PROPOSAL HISTORY

Issue	Reason for Issue	Issue Date
1.0	Technical Panel Consideration and Vote (TP 111)	19 Sep 2002
2.0	Recommended by Technical Panel (TP 111) and submitted for IMO Board approval	24 Sep 2002

Approved Amendment *Publication* Date: 9 Oct 2002

Approved Amendment *Effective* Date: 31 Oct 2002

PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

Provide a brief description of the following:

- The reason for the proposed amendment and the impact the *IMO-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 *IMO-administered markets*.

Currently the Market Rules allow for boundary entity dispatch data quantities to be expressed in MW (or MWh/hour) to one decimal place. This fractional dispatch data does not coincide with current industry practice where interjurisdictional transactions are scheduled to the whole MW and not to the tenth of a MW. In fact, the system which supports the current North American Electric reliability Council (NERC) transaction tagging requirements, known as E-Tag 1.7, does not permit the submission of a NERC tag to anything but whole MW. The proposed rule amendments bring the IMO market rules into alignment with industry practice.

It should be noted however that the IMO's scheduling system may attempt to schedule interchange transactions to the tenth of a MW. This possible conflict has been addressed and the process for dealing with such situations is currently articulated in the IMO Market Manual MM4.3 – Real-Time Scheduling of the Physical Markets, Section 1.8.2.

PART 4 – PROPOSED AMENDMENT

3.5 Energy Offers And Energy Bids

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3.5.3 Each *energy offer* or *energy bid* must contain at least 2 and may contain up to 20 *price-quantity pairs* for each *dispatch hour*. The price in each such *price-quantity pair* shall be not more than the *Maximum Market Clearing Price* or *MMCP* and not less than the negative *Maximum Market Clearing Price* or negative *MMCP* and shall be expressed in dollars and whole cents per MWh. The quantity in each such *price-quantity pair* shall:

3.5.3.1 in the case of a *registered facility* other than a *boundary entity*, be expressed in MW (or MWh/hour) to one decimal place and shall not be less than 0.0 MW (or 0.0 MWh/hour); or

3.5.3.2 in the case of a *registered facility* that is a *boundary entity*, be expressed in whole MW (or MWh/hour) and shall not be less than 0 MW (or 0 MWh/hour).

The quantity in the first *price-quantity pair* shall be 0.0 MW (or 0.0 MWh/hour) or 0 MW (or 0 MWh/hour) as applicable. The price in the second *price-quantity pair* shall be the same as the price in the first *price-quantity pair*.

3.6 Operating Reserve Offers

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3.6.2 Each offer to provide *operating reserve* must contain at least 2 and may contain up to 5 *price-quantity pairs* for each class of *operating reserve* for each *dispatch hour*. The price in each such *price-quantity pair* shall be not more than the *Maximum Operating Reserve Price* or *MORP* and not less than zero and shall be expressed in dollars and whole cents per MW. The quantity in each such *price-quantity pair* shall:

3.6.2.1 in the case of a registered facility other than a boundary entity, be expressed in MW to one decimal place and shall not be less than 0.0 MW; or

3.6.2.1 in the case of a registered facility that is a boundary entity, be expressed in whole MW and shall not be less than 0 MW.

The quantity in the first *price-quantity pair* shall be 0.0 MW (or 0.0 MWh/hour) or 0 MW (or 0 MWh/hour) as applicable. The price in the second *price-quantity pair* shall be the same as the price in the first *price-quantity pair*.

PART 5 – IMO BOARD COMMENTS