

# Stakeholder Engagement Plan SE-43 Revisions to the Suspension, Termination and Disconnection Process



Revision [4](#) – [March 11, 2008](#): Section V: Schedule of Activities updated.

## I. Introduction

The purpose of this initiative is to gather feedback on key issues related to the suspension, termination and disconnection process.

### Background

Recent events have exposed gaps in the market rules relating to suspension and termination of a market participant and disconnection of a facility following an event of default. Among other things, these gaps create a risk that the market will be required to “carry” a defaulting market participant for an extended period of time. The IESO is contemplating changes to the market rules to reduce this risk by eliminating measures that duplicate legal protections available to a defaulting market participant outside of the market rules.

The changes being considered by the IESO include:

- Streamlining the process and look at tightening the timelines to allow the IESO to act expeditiously against defaulting market participants that pose an undue risk to the market.
- Removing or limiting a show cause hearing before the IESO Board for suspension and termination where there is also a parallel court supervised process (such as a court-appointed monitor, receiver, trustee in bankruptcy, etc.) that includes a broader range of stakeholders (such as creditors, shareholders, employees, etc.).
- Allowing the IESO to issue disconnection orders not just to transmitters and distributors, but also to other market participants that are the “host” of the defaulting market participant.
- Giving the IESO greater discretion in issuing a disconnection order where another market participant embedded behind the defaulting market participant would be affected.
- Providing the IESO with greater discretion in issuing a disconnection order where there is a risk of public safety.

A timetable for stakeholder consultation and the approval of any resulting rule changes is outlined below. The timetable balances the need to quickly reduce the risks created by these gaps with the need to ensure a comprehensive stakeholder consultation process.

## Key Issues

The IESO is seeking input from stakeholders in the following key issues:

- Can the current process for suspending, terminating and/or disconnecting a defaulting market be streamlined without compromising the right of a defaulting market participant to due process?
- Is it necessary for the IESO to provide a defaulting market participant with a show cause hearing where there is also a parallel court supervised process?
- How should the IESO approach disconnection orders where one market participant is embedded behind another?
- Under what circumstances should the IESO not issue a disconnection order because of a risk of public safety?

## **II. Stakeholders**

These discussions will be of interest to all market participants.

## **III. Stakeholder Engagement Goals and Objectives**

### Goal

The goal of the stakeholder engagement program is to seek feedback from stakeholders on the issues outlined above. Any resulting rule changes will be incorporated into the appropriate external market manuals.

The implementation of the stakeholder engagement process will be in accordance with the IESO's approved stakeholder engagement principles.

IESO decision making processes will be transparent and decision making stages will be clearly defined at the outset. Stakeholder views, including dissenting views, will be fully communicated to decision makers prior to decisions being taken. IESO decisions, and the rationale for decisions, will be communicated to stakeholders along with an explanation of how their input was taken into account in the decision. The IESO fully endorses its stakeholder engagement processes and will communicate the outcomes from the processes in regulatory forums.

### Objectives

1. Collect stakeholder feedback on the issues outlined above.

## **IV. Stakeholder Engagement Approach and Methods**

The stakeholder engagement approaches to be employed are a stakeholder group and web based postings. The group to be used is the Technical Panel. Web-Based postings will provide other stakeholders with the opportunity for comment.

The IESO will be using the feedback process which is used to seek input on the proposed market rule changes developed by the IESO.

### Web-Based Postings

Web-based posting will provide all stakeholders with an efficient lower cost method to be informed of the process and provide feedback. This will provide the opportunity for all interested stakeholders to offer feedback on any proposed changes as a result of the face to face meetings.

This is a public consultation and information supplied will be posted on the IESO website including identification of the contributing participant.

### Market Manuals

The applicable market manuals will be revised as a result of the market rule changes. The changes to the market manuals will be discussed with the Technical Panel before becoming part of the Baseline process.

## V. Decision Making Steps and Schedule of Activities

Stakeholder Engagement Schedule	
Activity	Target Date
1. Post and Communicate stakeholder plan.	June 7, 2007
2. Presentation to the Technical Panel on the stakeholder plan and discussion of key issues	June 12, 2007
3. Closing date for stakeholder written submissions on stakeholder plan.	June 18, 2007
4. Post IESO response to stakeholder written comments on stakeholder plan.	June 25, 2007
5. Preliminary policy direction from IESO Board.	June 28, 2007
6. Proposed market rule amendment discussed with the Technical Panel.	July 24, 2007
7. Draft market rules presented to the Technical Panel	August 28, 2007
8. Technical Panel discusses rule amendment and rule amendment posted for comment.	September 18, 2007
9. Technical Panel meetings to discuss rule amendment	October 2007 – January 2008
10. IESO Board meeting for approval of market rule amendments.	<a href="#">February 15, 2008</a>
11. Post IESO Board Decision.	<a href="#">February 21, 2008</a>
12. Market Manual changes.	<a href="#">June 4, 2008</a>