



Market Manual 2: Market Administration

**Part 2.0: Market
Administration
Overview**

Issue 11.0

This document provides an overview of the Market Administration Manual.

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This *market manual* may contain a summary of a particular *market rule*. Where provided, the summary has been used because of the length of the *market rule* itself. The reader should be aware, however, that where a *market rule* is applicable, the obligation that needs to be met is as stated in the “Market Rules”. To the extent of any discrepancy or inconsistency between the provisions of a particular *market rule* and the summary, the provision of the *market rule* shall govern.

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1.0	To reflect board-approved changes to parts #1 and #10 and draft changes to the other parts of the manual	June 19, 2000
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Related Documents

Document ID	Document Title

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Table of Changes

Reference (Paragraph and Section)	Description of Change
All	Name and logo changed to <i>IESO</i>
All	Changes to reflect <i>IESO's</i> modified role with respect to long-term <i>reliability</i> assessments and Requests for Proposals
Section 2.1	Re-ordered for consistency with later sections
Section 3.2.7	Changes to reflect <i>market surveillance panel</i> reporting to <i>OEB</i>
Sections 2, 3 & 4	Add references to IMO_PRO_0039, Part 2.13: Change and Baseline Management
Sections 2, 3 & 4	Delete reference to IMO_PRO_0049, Part 2.15: Intertie Transaction Non-Compliance Financial Penalty
Sections 2, 3 & 4	Delete reference to IMO_PRO_0033, Part 2.4: Reliability Compliance Program

1. Market Manuals

The *market manuals* consolidate the market procedures and associated forms, standards, and policies that define certain elements relating to the operation of the *IESO-administered markets*. Market procedures provide more detailed descriptions of the requirements for various activities than is specified in the “Market Rules”. Where there is a discrepancy between the requirements in a document within a *market manual* and the “Market Rules”, the “Market Rules” shall prevail. Standards and policies appended to, or referenced in, these procedures provide a supporting framework.

– End of Section –

2. About This Manual

This document is Volume 2.0 of the *market manuals*, and provides an overview of “Market Manual 2: Market Administration”.

The “Market Administration Manual” is composed of the following document set:

“Market Manual 2.0: Market Administration”

Document ID	Part No.	Name of Procedure Document
MDP_MAN_0002	2.0	Market Administration Overview
MDP_PRO_0017	2.1	Dispute Resolution
IMO_PRO_0019	2.2	Exemption Application and Assessment
MDP_PRO_0019	2.3	Market Rule Amendment Procedure
MDP_PRO_0021	2.5	Maintaining Surveillance Data and Amending the Data Catalogue
MDP_PRO_0022	2.6	Treatment of Compliance Issues
MDP_PRO_0023	2.7	Treatment of Market Surveillance Issues
MDP_PRO_0024	2.8	Reliability Assessments Information Requirements
MDP_PRO_0025	2.9	Directives for Proposal (DFP)
MDP_PRO_0048	2.10	Connection Assessment and Approval
IMP_PRO_0024	2.11	18-Month Outlook and Related Information Requirements
IMO_PRO_0034	2.12	Treatment of Local Market Power
IMO_PRO_0039	2.13	Change and Baseline Management
IMO_CAT_0002	2.14	Information Confidentiality Catalogue
IMO_STD_0007	-	Local Market Power Mitigation – Price Screen Duration Factors
IMP_AGR_0001	-	Preliminary Assessment Agreement
IMP_AGR_0002	-	System Impact Assessment Agreement

2.1 Purpose

The “Market Administration Manual” contains the necessary procedures to be used by *market participants* to:

- resolve disputes;

- request an *exemption* to a *market rule*;
- provide a process where changes to the *market rules* are identified;
- submit surveillance data catalogue information;
- submit compliance information to the *IESO* that is required in accordance with the *market rules*;
- understand the procedures involved in the treatment of market surveillance issues;
- submit information to the *IESO* that is required to support the *IESO's* *reliability* assessment process;
- understand the process and respond to “Directives for Proposal” (DFPs) issued by the *IESO*;
- request and undertake assessments of grid connection proposals;
- submit information to the *IESO* that is required to support the *IESO's* 18-Month Outlook;
- respond to *IESO's* assessments of local market power;
- understand the Market Place Change Management Process, the role of the Market Design Baseline, and the process for consulting with *market participants*; and
- identify information in the possession and control of the *IESO* and the associated confidentiality.

2.2 Scope

The procedures in this manual have been developed to guide *market participants* and other parties in various administrative processes when interacting with the *IESO*.

The procedures do not identify the internal processes carried out by these parties or the *IESO*. It is restricted to information related to the operation of the market.

2.3 Who Should Use This Manual

This manual is intended for use by *market participants* and their representatives and other parties, as appropriate.

2.4 Conventions

The standard conventions followed for *market manuals* are as follows:

- The word ‘shall’ denotes a mandatory requirement;
- Terms and acronyms used in this *market manual* including all Parts thereto that are italicized have the meanings ascribed thereto in Chapter 11 of the “Market Rules”;
- Double quotation marks are used to indicate titles of legislation, publications, forms and other documents.

Any procedure-specific convention(s) shall be identified within the procedure document itself.

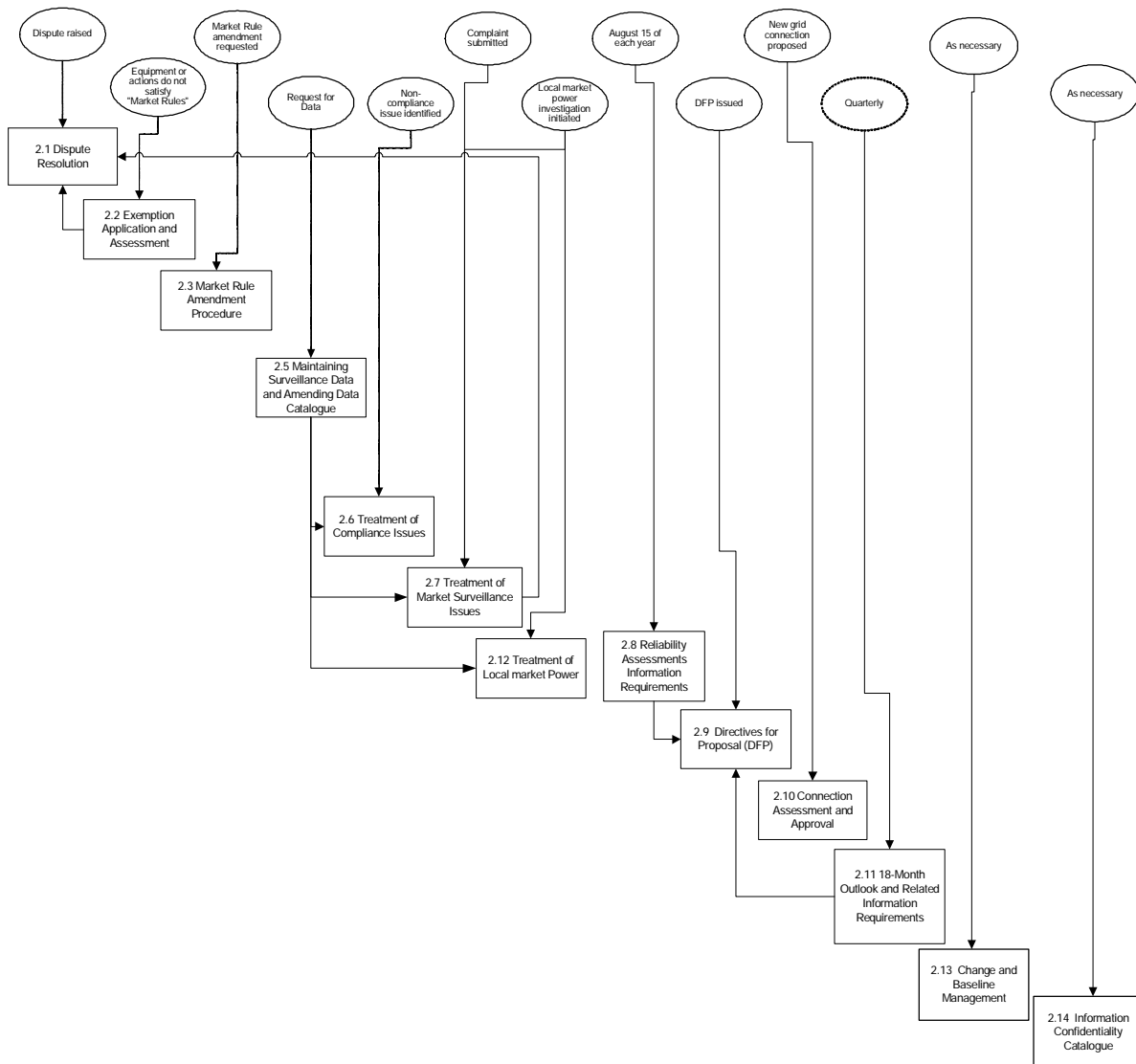
– End of Section –

3. Procedures Summary

3.1 Interrelationship of the Procedures

Figure 3–1, below, shows the composition of this *market manual* and how the procedures, trigger events, and other *market manuals* interrelate.

Figure 3–1: Interrelationships of Procedures and Market Manuals



3.2 About the Procedures in This Manual

3.2.1 Dispute Resolution

The dispute resolution may often follow a three stage process from good faith negotiations through mediation and arbitration. However, the process is inherently unpredictable, for example, settlement can occur at any stage of the process. In addition, much of the process will be dictated or directed by the *mediator* or the *arbitrator*. Therefore, as all eventualities or outcomes cannot be predicted, this document focuses on the steps by which a *market participant*, as the party initiating the dispute (the *applicant*) or the party responding to a dispute initiated by the *IESO* (the *respondent*), works with the *IESO* and others to resolve or settle the dispute.

3.2.2 Exemption Application and Assessment

Market participants may request an *exemption* from the application of standards and obligations in the "Market Rules" or standards, policies and procedures where they do not meet one or more criteria as set forth in the "Market Rules". An *exemption applicant* to whom an *exemption* has been granted shall not, for the period of time that the *exemption* is in effect, be required to comply with any obligation or standard set forth in the "Market Rules" from which the *exemption* has been granted.

An *exemption applicant* to whom an *exemption* has been granted shall, for the period of time that the *exemption* is in effect, comply with all of the terms and conditions of the *exemption*. Failure by an *exemption applicant* to comply with any of the terms and conditions of an *exemption* shall constitute a breach of the "Market Rules".

3.2.3 Market Rule Amendment Procedure

The procedure is intended to provide *market participants* with a summary of the steps for amending *market rules* and any interfaces between *market participants*, the *IESO*, and other parties. The procedural steps and work flows described in this document serve as a roadmap for *market participants* and the *IESO*.

3.2.4 [Intentionally Left Blank]

3.2.5 Maintaining Surveillance Data and Amending the Data Catalogue

The present procedure is intended to provide *market participants* with a summary of the steps and interfaces between *market participants*, the *IESO*, and other parties for the Maintaining Surveillance Data and Updating the Data Catalogue procedure. The procedural steps and work flows described in this document serve as a roadmap for *market participants* and the *IESO*, and should be used in conjunction with the "Market Rules", "Part 2.7: Treatment of Market Surveillance Issues", and "Part 2.12: Treatment of Local Market Power".

3.2.6 Treatment of Compliance Issues

A non-compliance issue may be reported by the *IESO*, by a *market participant*, regulatory authorities, or by others. A non-compliance issue can be a default condition in which a *market participant* fails to adhere to its obligations, or a breach of the *market rules*. Non-compliance issues can result in a *market participant* receiving a sanction. Sanctions may include a letter of non-compliance, a financial penalty, a suspension or termination.

In all cases, the non-compliance investigation and resolution are documented and the appropriate parties are notified of the results.

3.2.7 Treatment of Market Surveillance Issues

According to *Ontario Energy Board (OEB) By-Law #3*, the *market surveillance panel* is responsible for monitoring the market and performing investigations, as required, into inappropriate or anomalous conduct and flaws in the "Market Rules" or the overall structure of the *IESO-administered markets*. The *Panel* is required to report to the Chair of the *OEB* on its monitoring and investigative activities. Investigations into market conduct may be launched by the *Panel* on its own initiative or as a result of a request or complaint from any person. Investigations into flaws in the "Market Rules" or the structure of the *IESO-administered markets* may only take place with the prior concurrence of the Chair of the *OEB*.

The *market surveillance panel* submits regular reports on its activities, in addition to reports on all its investigations, to the Chair of the *OEB*. These reports may be referred by the Chair of the *OEB* to other agencies, as appropriate. There are also provisions for these reports to be published once any confidential information is removed.

The *market assessment unit* of the *IESO* supports the *Panel* in these activities. Finally, the *IESO* is responsible for reviewing and taking action on local market power. See Section 3.2.12.

3.2.8 Reliability Assessments Information Requirements

In accordance with the "Market Rules", the *IESO* is responsible for conducting *reliability* assessments in order to meet its obligations to maintain the *reliability* of the *IESO-controlled grid*, to meet the requirements of *standards authorities* and to assist the *OEB* and the *OPA* in meeting their respective objectives.

In order to conduct the assessment, the *IESO* requires that *market participants* provide the appropriate input data. Once the initial data have been provided, updates are only required as appropriate for the information type. Changes to static information should be provided when such changes occur throughout the year, while dynamic information updates need only be provided annually. Information submitted each year should include information for relevant *facilities* planned in the specified 10-year period. Submission of information by *market participants* and *connection applicants* will begin on or about August 15 of each year and be completed by October 1 of each year.

3.2.9 Directives for Proposal (DFP)

If the *IESO* identifies an adverse condition on the *IESO-controlled grid* that requires action to be initiated within the next twelve months in order to maintain the *reliability* of the *IESO-controlled grid*, and if the *IESO* does not believe that *market participants* have or will voluntarily put forward reasonable commitments for technically feasible options to alleviate the condition, the *IESO* may direct the *transmitter(s)* in the relevant location(s) to promptly prepare a detailed proposal for the enhancement of the *IESO-controlled grid*.

This procedure provides a summary of the steps and interfaces among the *IESO*, *transmitters*, the *OEB*, the *OPA*, and other governmental agencies regarding the issuing of, and responding to, directives to supply information to address *IESO-identified constraints* on the *IESO-controlled grid* (“Market Rules”, Chapter 5, Section 7.10).

3.2.10 Connection Assessment and Approval

The *connection assessment* and approval process allows the *IESO* to assess the impact of new or modified connections on the *reliability* of the *integrated power system*. A *connection applicant* does not have to be a *market participant* in order to apply for *connection assessment* and approval; however, the required *market participant* authorization and *facility* registration processes must be completed prior to participation in the *IESO-administered markets*.

In accordance with the “Market Rules”, Chapter 4, Section 6, anyone planning to construct a new or modified *connection* to the *IESO-controlled grid* must apply to the *IESO* for permission to proceed through the *connection assessment* and approval process. This process is an *IESO-coordinated* process involving the *connection applicant*, the affected *transmitter (s)* and the *IESO*.

3.2.11 18-Month Outlook and Related Information Requirements

The *IESO* is required by the “Market Rules” to prepare and *publish*, quarterly, a forecast of *demand*, and a *security and adequacy* assessment, both for an 18-month period. As a result, the *IESO* will *publish*, quarterly, the “18-month Forecast and Assessment Report” to satisfy this requirement.

Market participants are required by the “Market Rules” to provide the required information for the *IESO* to conduct both the quarterly forecast of *demand* and the 18-month *security and adequacy* assessment and to produce the “18-month Forecast and Assessment Report”. This procedure specifies the information required and provides *market participants* with the specific steps to submit such information to the *IESO*.

3.2.12 Treatment of Local Market Power

The *IESO* may review prices for constrained on facilities and constrained off facilities to determine whether these fall within determined prices limits and whether the congestion settlement credits for these should be modified and a penalty applied. This procedure describes the main elements of the process followed by the *IESO* and the interactions between the *IESO* and *market participants* where there may have been an abuse or possible abuse of local market power. The analyses and actions described do not preclude other investigations by the *market surveillance panel / market assessment unit* under Section 3 of Chapter 3 of the “Market Rules” and the procedures of “Part 2.7: Treatment of Market Surveillance Issues”. However, such other investigations are subject to the limitation that

these may not lead to settlement credit adjustments or penalties other than those proscribed under Appendix 7.6 of the “Market Rules”.

3.2.13 Change and Baseline Management

The objective of this document is to ensure that there is a process to manage changes so that all the functionality of the market place systems and procedures remains consistent with each other, with the *market rules*, and with pertinent legislation. The *IESO* will provide Market Place Change Management services and will establish and maintain a Market Place Design Baseline for *market participants* and stakeholders in the Ontario wholesale market place for electricity.

3.2.14 Information Confidentiality Catalogue

This Information Confidentiality Catalogue is a list of information that the *IESO* has or will have the means of acquiring or creating. It defines the confidentiality classifications applicable to each item according to three possible classifications in accordance with the provisions stated in the “Market Rules” chapter 3 section 5: Public (P), Confidential (C) and Highly Confidential.

3.2.15 [Intentionally Left Blank]

– End of Section –

4. Applicability of Procedures

The table below summarizes the most common situations or events that are likely to trigger activities described in this *market manual*. To use this table, select the event that most closely matches your area of interest under the Event column, then refer to the appropriate procedures document listed in the Procedure column. A list of all procedures documents that comprise this *market manual* is found in Section 2 of this document.

Table 4–1: Events and Procedures

Event	Procedure
<i>Market participant</i> does not agree with an <i>IESO</i> decision that impacts the business of the <i>market participant</i>	Part 2.1: Dispute Resolution
<i>Market participant</i> 's equipment or actions do not conform to "Market Rules"	Part 2.2: Exemption Application and Assessment
<i>Market participant</i> seeks a change to the <i>market rules</i>	Part 2.3: Market Rule Amendment Procedure
<i>IESO</i> requests surveillance data from <i>market participant</i>	Part 2.5: Maintaining Surveillance Data and Amending the Data Catalogue
<i>Market participant</i> requests changes to the catalogue of data or monitoring indices used for market surveillance	Part 2.5: Maintaining Surveillance Data and Amending the Data Catalogue
<i>IESO</i> or <i>market participant</i> observes non-compliant operation of a <i>market participant</i>	Part 2.6: Treatment of Compliance Issues
An incident occurs as a result of alleged misconduct of a <i>market participant</i>	Part 2.7: Treatment of Market Surveillance Issues
<i>Market participant</i> receives a request for forecast and assessment data from the <i>IESO</i> as part of the <i>annual report</i> preparation	Part 2.8: Reliability Assessments Information Requirements
<i>Transmitter</i> receives a directive to submit a proposal from the <i>IESO</i> to relieve a specific constraint	Part 2.9: Directives for Proposal (DFP)
An <i>connection applicant</i> intends to submit a proposal for constructing new or modified connections to the <i>IESO-controlled grid</i>	Part 2.10: Connection Assessment and Approval
<i>Market participant</i> receives a request for forecast and assessment data from the <i>IESO</i> as part of the "Quarterly Report" preparation	Part 2.11: 18-Month Outlook and Related Information Requirements
The <i>IESO</i> reviews the <i>market participant</i> 's price for a <i>constrained on facility</i> or <i>constrained off facility</i> and determined these exceed calculated price limits	Part 2.12: Treatment of Local Market Power
Issue raised or change proposed for the <i>IESO-administered markets</i> , by <i>market participants</i> or the <i>IESO</i>	Part 2.13: Change and Baseline Management
<i>Market participant</i> would like to access information in the possession of the <i>IESO</i> . The <i>market participant</i> would lookup the classification and can make a self-determination prior to making the request of the	Part 2.14: Information Confidentiality Catalogue

Table 4–1: Events and Procedures

Event	Procedure
<i>IESO.</i>	

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