

Measurement Canada and the IESO Administered Market

Revenue Metering Standing Committee
Oct. 27, 2011



- Measurement Canada (MC) has recently amended the Electricity and Gas Inspection Act (EGIA) and is in the process of implementing a number of changes to associated regulations, expected to be introduced sometime next year
- Proposed changes include:
 - Introduction of regulations supporting Bill C-14
 - Implementation of the Legal Units of Measure (LUM) Joint Working Group (JWG) recommendations which permit the establishment of a LUM outside an approved meter
 - Implementation of the Volt-Ampere (VA) JWG recommendations establishing standards for VA and demand measurement
- MC is also considering establishing regulations which exempt a certain class or type of transaction from all provisions of the EGIA

- As a result of recent amendments (Bill C-14) to the EGIA, MC's role will be more on the enforcement side and contraventions under the EGIA may/will be subject to enforcement and compliance action which may include financial penalties
 - Uniformity of enforcement (consistent corrective action) is a primary mandate of MC's enforcement obligations
- Concern:
 - To date, MC has had very little involvement in the IAM and enforcement of the EGIA has never been tested
 - Ontario market construct does not mesh with EGIA
 - EGIA reflects a vertically integrated utility structure
 - We expect MC to have a greater regulatory presence in the IAM

Establishing LUM's outside an approved meter

- Establishing LUM's outside an approved meter has been an industry practice for the past 30 years, however there are no provisions under the existing regulations to permit this
- Proposed regulations will outline fundamental principles and general policy requirements to ensure that the processed LUM (PLUM) is derived from a source LUM (SLUM) in a conforming manner
 - Foundation of the market is based on interval meter data and the establishment of PLUM data for settlement
- Concern:
 - The proposed regulations have a direct and significant impact on the IAM including metering standards, settlement systems, processes and procedures
 - Specific areas of concern include totalization/aggregation processes, calculation and validation of PLUM data, time synchronization methods and demand determinants

- Introduction of regulations to standardize VA and demand measurement
- Concern:
 - Impact is minimal to the IAM as VA is not used for settlement (today)
 - Much greater impact on retail settlement
 - Calculation of VA for the purpose of loss adjustment in the IAM may be impacted
 - Opportunity to address requirements with the RMS replacement project
 - Possible impact to IESO metering standards

What is IESO doing?

- Identified 'risk' to IAM (including RMS Project)
- In discussion with MC to better understand impact and concerns
- IESO will continue to participate in CEA Metering Task Group activities to provide input for the LUM and VA initiatives
- IESO will participate in consultations related to these MC initiatives

