

# ISO Rules

## Part 200 Markets

### Division 202 Dispatching the Markets

#### Section 202.7 Markets Suspension or Limited Markets Operations



External Consultation Draft

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#### Applicability

- 1 Section 202.7 applies to:
  - (a) a **market participant**; and
  - (b) the **ISO**.

#### Requirements

##### State of Limited Markets Operations

- 2 If, due to:
  - (a) the unavailability of **ISO** merit order related tools; or
  - (b) the **ISO** being required to completely evacuate **ISO** personnel from the **ISO**'s System Coordination Centre due to an emergency or disaster event, resulting in the **ISO** using its Back Up Coordination Centre;

the **ISO** cannot access the ordinary course energy market **merit order**, which lack of access materially impedes the **ISO**'s ability to accurately and substantially issue **dispatches** and operate any one or all of the **merit orders**, then the **ISO** may, by the issuance of a declaration in accordance with subsection 3:

- (c) declare that a state of limited markets operations is in effect; and
- (d) invoke the limited markets operations procedures set out in this section 202.7.

##### Declaration Invoking a State of Limited Markets Operations

- 3(1) The **ISO** must issue a declaration if it is invoking a state of limited markets operations.
- (2) The declaration must include:
  - (a) the reasons that the **ISO** is invoking the state of limited markets operations;
  - (b) the commencement date and time of the state of limited markets operations; and
  - (c) a reasonable estimate of the anticipated date and time of termination of the state of limited market operations, and the return to ordinary course markets operations.
- (3) The **ISO** must use all reasonable efforts to issue the declaration as simultaneously as is possible to **market participants** who may reasonably be anticipated to be affected by the state of limited markets operations.
- (4) The **ISO** from time to time may issue a subsequent declaration updating **market participants** on limited markets operations developments as the circumstances warrant.
- (5) The **ISO** may select one or more of the following methods to issue a declaration, depending on which is the most practical and effective method under the circumstances:
  - (a) the real time AIES Event Log or other message communications posted on the AESO website;
  - (b) Automated Dispatch and Messaging System communications; or

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- (c) pre-recorded telephone notifications, followed up by written confirmations.

#### Dispatches During a State of Limited Markets Operations

4 During a state of limited markets operations:

- (a) the **ISO** must use the most current and reasonably accurate **merit orders** then available to the **ISO** under the circumstances, to continue to issue **dispatches** in a manner which is as close as possible to ordinary course operations;
- (b) subject to subsection 4(c), the **ISO** must use all reasonable efforts to ensure that any **dispatches** the **ISO** has issued for **dispatch down services** and **ancillary services** at the commencement of the state of limited markets operations remain in effect until termination of the state of limited markets operations; and
- (c) if the system marginal price exceeds the **transmission must-run** reference price during the state of limited markets operations, then the **ISO** may determine that any one or all of the **dispatch down services** must be terminated until the termination of the state of limited markets operations.

#### Energy Market Pricing During a State of Limited Markets Operations

**5(1)** During a state of limited markets operations and subject to subsection 5(2), the **ISO** must determine the energy market **pool price** as the system marginal price at each minute, which must be the highest eligible **pool asset** marginal price of all **pool assets** to meet **system load** in the energy market **merit order** referred to in subsection 4(a).

**(2)** The system marginal price during a state of limited markets operations must be one thousand dollars (\$1,000) per MWh under the circumstances set out in subsection 3(1)(b) of section 201.6 of the **ISO rules**, *Pricing*.

#### Other Pricing During a State of Limited Markets Operations

6 During a state of limited markets operations:

- (a) the **ISO** must make **dispatch down service** payments based on the system marginal price in each minute, in accordance with subsection 8 of section 103.4 of the **ISO rules**, *Power Pool Financial Settlement*;
- (b) the **ISO** must make **ancillary services** payments based on the **pool price**, which such price is determined in accordance with subsection 4 of section 201.6 of the **ISO rules**, *Pricing*;
- (c) the **ISO** may suspend uplift payments under subsection 6 of section 103.4 of the **ISO rules**, *Power Pool Financial Settlement*; and
- (d) the **ISO** may suspend payments for **transmission constraint rebalancing** required under subsection 7 of section 103.4 of the **ISO rules**, *Power Pool Financial Settlement*.

#### Termination of a State of Limited Markets Operations

**7(1)** The **ISO**, by issuing a declaration, must terminate a state of limited markets operations as soon as it restores ordinary course access to the merit orders.

**(2)** The **ISO** must use the most practical and effective communication method referenced in subsection 3(5) to issue a declaration to **market participants** that the **ISO** has terminated a state of

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limited markets operations and ordinary course **merit order** operations are to recommence by the date and time specified in the declaration.

#### State of Markets Suspension

**8(1)** If:

- (a) the **interconnected electric system** is experiencing a **blackout**;
- (b) the **interconnected electric system** is breaking up into two (2) or more **electrical islands** causing **transmission market constraints** that significantly limit or prohibit markets operations; or
- (c) the **ISO** is unable to continue in a state of limited markets operations under this section 202.7 because:
  - (i) the **ISO** no longer can use the most current and reasonably accurate energy market **merit order** due to material variances between that energy market **merit order** and the energy production capabilities of the **pool assets** associated with the energy market **merit order**; or
  - (ii) the **ISO** no longer can perform and operate **merit order** functions at the Back Up Coordination Centre as referenced in subsection 2(b);

then once an approval is granted under subsection 8(2), the **ISO** may issue a declaration in accordance with subsection 9 invoking a state of markets suspension for the energy market, the **ancillary services** market and the **dispatch down service** market, and implementing the markets suspension procedures set out in this section 202.7.

**(2)** The **ISO** may not issue a declaration invoking a state of markets suspension without the approval of the Chief Executive Officer of the **ISO** or a designee, but if the **interconnected electric system** is experiencing a **blackout** as referenced under subsection 8(1)(a), then the **ISO** may, by declaration in accordance with subsection 9, invoke a state of markets suspension without Chief Executive Officer approval.

#### Declaration Invoking a State of Markets Suspension

**9(1)** The **ISO** must issue a declaration if it is invoking a state of markets suspension.

**(2)** The declaration must include:

- (a) the reasons that the **ISO** is invoking the state of markets suspension;
- (b) the commencement date and time of the state of markets suspension; and
- (c) a reasonable estimate of the anticipated date and time of the termination of the state of markets suspension, and the return to ordinary course markets operations.

**(3)** The **ISO** must use all reasonable efforts to issue the declaration as simultaneously as is possible to **market participants** who may reasonably be anticipated to be affected by the state of markets suspension.

**(4)** The **ISO** from time to time may issue a subsequent declaration updating **market participants** on markets suspension developments as the circumstances warrant.

**(5)** The **ISO** may select one or more of the following methods to issue the declaration, depending on

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which is the most practical and effective method under the circumstances:

- (a) the real time AIES Event Log or other message communications posted on the AESO website;
- (b) Automated Dispatch and Messaging System communications; or
- (c) pre-recorded telephone notifications, followed up by written confirmation.

#### Effect of a State of Markets Suspension

**10** During the period of time a state of markets suspension is in effect, the **ISO**:

- (a) is not required to follow the **merit orders**; and
- (b) must determine the system marginal price in accordance with subsection 11.

#### System Marginal Pricing during a State of Markets Suspension

**11(1)** During a state of markets suspension and subject to subsection 11(2), the **ISO** must determine the system marginal price at each minute, which price must be either the prior thirty (30) **day** average **on peak** price or **off peak** price, depending on the hour of **day** the state of markets suspension is in effect.

**(2)** The system marginal price during a state of markets suspension must be one thousand dollars (\$1,000) per MWh under the circumstances set out in subsection 3(1)(b) of section 201.6 of the **ISO rules, Pricing**.

#### Operating Costs Recovery for Certain Market Participants

**12(1)** If for a state of markets suspension a **market participant** does not recover from energy receipts revenue all operating costs, as specified in subsection 12(2) below, for any **pool asset** that operated during that state of market suspension, then the **ISO** must pay to the **market participant** an additional amount up to, but not in excess of, those operating costs, net of the energy receipts revenue.

**(2)** Subject to subsection 12(3), the operating costs referred to in subsection 12(1) may include:

- (a) variable **supply transmission service** charges which are the actual cost of all variable charges from *Rate Schedule STS* of the **ISO tariff**, including the applicable **loss factor** charge or credit;
- (b) variable operating and maintenance charges;
- (c) fuel cost to operate the **pool asset**; and
- (d) other related reasonable costs the **ISO** approves.

**(3)** If during a state of markets suspension a **market participant** incurs start-up costs for a **pool asset** as the result of receiving a **directive** to start-up the **pool asset**, and then subsequently the **market participant**:

- (a) receives a **directive** to shut down the same **pool asset**; or
- (b) is receives a **dispatched** to terminate energy delivery or consumption for the same **pool asset** upon the termination of the markets suspension and the return to ordinary course operations;

then the **market participant** may include those start-up costs in the operating costs to be recovered in

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accordance with subsection 12(2).

(4) The **ISO** must include as a line item in a **power pool** statement any charge to a **pool participant** under subsection 8 of section 103.6 of the **ISO** rules, *ISO Fees and Charges* for the **ISO** to recover any costs associated with the payment of operating costs net of energy receipts revenue due to a markets suspension under this section 202.7.

#### Termination of a State of Markets Suspension

**13(1)** The **ISO**, by issuing a declaration, must terminate a state of markets suspension as soon as it restores ordinary course markets operations.

(2) The **ISO** must use the most practical and effective communication methods referenced in subsection 9(5) to issue a declaration to **market participants** that the **ISO** has terminated a state of markets suspension and ordinary course markets operations are to recommence by the date and time specified in the declaration.

(3) The **ISO** must publish a preliminary report on the AESO website, no later than five (5) **business days** following the last **day** of a state of markets suspension, containing a summary of events and circumstances which led to the **ISO** invoking the state of markets suspension.

(4) The **ISO** must publish a final report on the AESO website, no later than twenty (20) **business days** following the termination of a state of markets suspension, containing details on how the **ISO** managed the markets suspension situation and the **interconnected electric system** during the state of markets suspension, and the efforts the **ISO** undertook to return the markets to ordinary course markets operations.

#### Revision History

Effective	Description
20XX-XX-XX	Inclusion of “transmission must-run” in subsection 4(c); Updated “transmission constraint” to “transmission market constraint”.
2015-11-26	Addition of subsection 6(d) to refer to new subsection 7 of section 103.4 of the ISO rules.
2013-01-08	Previously defined terms have been un-defined and so the words have been un-bolded. Updated to refer to section 201.6 <i>Pricing</i> .
2011-10-13	Initial release