

# ISO Rules

## Part 200 Markets

### Division 202 Dispatching the Markets

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



#### 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~~

~~2~~ The **ISO** may, by the issuance of a declaration in accordance with subsection 3:

- ~~(a) declare that a state of limited markets operations is in effect; and~~
- ~~(b) invoke the limited markets operations procedures set out in this Section 202.7~~

- ~~(b)(a) if 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 due to:~~

- ~~(c) the unavailability of the ISO's tools related to the merit order; or~~
- ~~(d) 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.~~

- ~~(c)(a) 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, issue a declaration that includes:

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

- ~~(b)(a)~~ the reasons that the **ISO** is invoking the state of limited markets operations; and
- ~~(b)~~ the commencement date and time of the state of limited markets operations; ~~and,~~  
~~— 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)(2)~~ The **ISO** must use all reasonable efforts to issue the declaration as simultaneously as is possible reasonably practicable to **market participants** who may reasonably be anticipated to be affected

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by the state of limited markets operations.

**(43)** The ISO<sub>1</sub> from time to time<sub>1</sub> may issue a subsequent declaration updating **market participants** on limited markets operations developments as the circumstances warrant, including the return to ordinary course market operations.

**(54)** 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
- (c) pre-recorded telephone notifications, followed up by written confirmations.

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

~~4~~ During **(1)** The ISO must, 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; and
- (b) subject to subsection 4(c), ~~the ISO must~~<sup>2</sup>, 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.

~~(2)~~ The ISO may, if the system marginal price exceeds the reference price during ~~the~~<sup>a</sup> state of limited markets operations, ~~then the ISO may determine that terminate~~ any one or all of the **dispatch down services** ~~must be terminated~~<sup>referred to in subsection 4(1)(b)</sup> until the termination of the state of limited markets operations.

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

~~5(1)~~ During ~~The ISO must, during~~ a state of limited markets operations ~~and subject to subsection 5(2), the ISO must~~<sub>1</sub> 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(1)(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 ~~The ISO must, 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;~~ and
- (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;~~
- ~~(b)~~ ~~the ISO but~~ may suspend uplift payments ~~under subsection 6 of section 103.4 of the ISO~~

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~~rules, Power Pool Financial Settlement, and~~

~~the ISO may suspend and~~ payments for **transmission constraint rebalancing** ~~required under subsection 7 of section that would otherwise be payable in accordance with Section~~ 103.4 of the ISO rules, *Power Pool Financial Settlement*.

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

**7(1)** The ISO must, 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(54)~~ to issue a declaration to **market participants** that the ISO has terminated a state of 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:~~

8(1) The ISO may, once an approval is granted under subsection 8(2) and 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 ~~s~~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(~~bd~~);

~~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 ~~s~~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, issue a declaration that includes:

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

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- ~~(b)(a)~~ the reasons that the **ISO** is invoking the state of markets suspension; and
- ~~(c)(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)(2)~~ The **ISO** must use all reasonable efforts to issue the declaration as simultaneously as is possible reasonably practicable to **market participants** who may reasonably be anticipated to be affected by the state of markets suspension.

~~(4)(3)~~ The **ISO**, from time to time, may issue a subsequent declaration updating **market participants** on markets suspension developments as the circumstances warrant, including the return to ordinary course market operations.

~~(5)(4)~~ The **ISO** may select one or more of the following methods to issue the 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
- (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**:

10 The **ISO**:

- (a) is not required to follow the **merit orders**; and
- (b) must determine the system marginal price in accordance with subsection 11.1:

during the period of time a state of markets suspension is in effect.

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

~~11(1)~~ During The **ISO** must, 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~~ The **ISO** must, 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 A **market participant** may, subject to subsection 12(3), include the following in the operating costs referred to in subsection 12(1) ~~may include:~~

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- (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) ~~#A market participant may, if~~ during a state of markets suspension ~~a market participant~~ it 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) receives a **dispatch** 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 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~~ any charge required 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 ~~s~~Section 202.7.

#### Termination of a State of Markets Suspension

**13(1)** The **ISO** must, 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~~4) 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
<u>20XX-XX-XX</u>	<u>Revision to reflect replacement of “transmission constraint” with “transmission market constraint”; clarifications regarding updates about return to ordinary course market operations; removal of subsection 11(2); and administrative revisions.</u>

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<u>2015-11-26</u>	<u>Addition of subsection 6(d) to refer to new subsection 7 of Section 103.4 of the ISO rules.</u>
<u>2013-01-08</u>	<u>Previously defined terms have been un-defined and so the words have been unbolded.</u> <u>Updated to refer to Section 201.6 Pricing.</u>
2011-10-13	Initial release
<u>2013-01-08</u>	<del>Previously defined terms have been un-defined and so the words have been unbolded.</del> <del>Updated to refer to section 201.6 Pricing.</del>
<u>2015-11-26</u>	<del>Addition of subsection 6(d) to refer to new subsection 7 of section 103.4 of the ISO rules.</del>