

ISO Rules

Part 100 General

Division 103 Administration

Section 103.12 Compliance Monitoring



Applicability

- 1 Section 103.12 applies to:
 - (a) a **market participant**; and
 - (b) the **ISO**.

Requirements

Application of Other Remedies

- 2 The **ISO** may pursue the actions and remedies authorized under this section 103.12 in addition to any other action or remedies that may be available to it elsewhere in the **ISO rules** or under law, regulation or order and nothing in this section 103.12 limits the right of the **ISO** to take action or seek remedies otherwise available to it, and such action or remedies may be pursued in lieu of or in addition to the action or remedies specified in this section 103.12.

Extent of Compliance Monitoring

- 3(1) The **ISO** must use the provisions of this section 103.12 as the basis for determining whether it suspects a contravention of the **ISO rules** or **reliability standards** or an infraction of the **Commission's** load settlement rules.
- (2) The **ISO** must undertake such compliance monitoring of **market participants** as it considers appropriate, including establishing monitoring programs, processes and procedures.

Information Requests

- 4(1) The **ISO** may, itself or based upon input from either the **Commission** or **Market Surveillance Administrator**:
 - (a) determine that additional information is required from **market participants** in order to monitor compliance with **ISO rules**, **reliability standards** or load settlement rules; and
 - (b) make a written request, including an explanation of the need for such information, to a **market participant** possessing such information to provide it to the **ISO**.
- (2) The **ISO** must work with the **market participant** to set a reasonable time within which to provide any information requested pursuant to subsection 4 and to address any concerns regarding the need for the information.
- (3) The **ISO** may, to the extent that a request for information relates to load settlement rules, provide the **Commission** with a copy of such request, but in any event, must provide a copy upon the request of the **Commission**.
- (4) The **ISO** may, to the extent that a request for information relates to **ISO rules** or **reliability standards**, provide the **Market Surveillance Administrator** with a copy of such request, but in any event, must provide a copy upon the request of the **Market Surveillance Administrator**.

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Requirement to Comply with an Information Request

5 A **market participant** that receives a request pursuant to subsection 4(1) must provide the **ISO** with all information that the **ISO** requests and must do so in the time period set out in the request.

Confidentiality

6(1) The **ISO** must, subject to section 103.1 of the **ISO rules**, *Confidentiality*, conduct compliance monitoring on a confidential basis, including:

- (a) treating information, recommendations and referrals the **ISO** provides to the **Commission** or the **Market Surveillance Administrator** as confidential and
- (b) treating the source of any complaint to the **ISO** regarding compliance as confidential.

(2) The **ISO** must, notwithstanding subsection 6(1) and section 103.1 of the **ISO rules**, *Confidentiality*, make information obtained pursuant to this section 103.12 available to either or both of the **Commission** and the **Market Surveillance Administrator** as part of a referral under subsections 11 and 12 or as part of a report under subsection 10.

(3) The **ISO** must limit its use of information obtained in accordance with this section 103.12 to purposes related to compliance with applicable **ISO rules**, **reliability standards** and load settlement rules.

Complaints

7(1) A **market participant** or other interested **person** may submit a complaint to the **ISO** regarding compliance with the **ISO rules**, **reliability standards** or load settlement rules and if it does, the **market participant** or other interested party must provide sufficient information to allow the **ISO** to initiate an assessment of the complaint and to maintain communication with the complainant, which such information may include the following:

- (a) the name, address, telephone number and, if available, email address of the party making the complaint;
- (b) the particulars of the complaint;
- (c) any facts or information that support the complaint; and
- (d) the signature of the individual or authorized representative of the party making the complaint.

(2) The **ISO** may, except as required by the **Act** or related regulations, by a regulatory authority with jurisdiction, or by applicable **ISO rules**, **reliability standards** or load settlement rules, decline to act with respect to any specific complaint if the **ISO** considers:

- (a) the complaint is frivolous, vexatious, trivial or otherwise does not warrant action on the part of the **ISO**; or
- (b) the subject matter is under the jurisdiction of another authority.

(3) The **ISO** must, as soon as reasonably practical, provide a written response to a complainant notifying the complainant of the **ISO**'s decision regarding the course of action the **ISO** is taking in response to a complaint and the outcome of the related assessment, if any.

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Assessments

8(1) The **ISO** may:

- (a) in response to a complaint relating to compliance with **ISO rules, reliability standards** or load settlement rules; or
- (b) as initiated by the **ISO**;

conduct an assessment in order to determine whether it suspects that a **market participant** may have contravened **ISO rules, reliability standards** or load settlement rules,

(2) The **ISO** may, if conducting the assessment referred to in subsection 8(1), include consideration of the following:

- (a) the alleged failure of a **market participant** to comply with applicable **ISO rules, reliability standards** and load settlement rules;
- (b) any representations made by a **market participant** that is the subject of an alleged failure to comply with applicable **ISO rules, reliability standards** and load settlement rules;
- (c) whether there is a reasonable basis or reasonable evidence to suspect that a **market participant** contravened the **ISO rules, reliability standards** or committed an infraction of the load settlement rules; and
- (d) any mitigating factors as identified in subsection 13.

Compliance Monitoring Audits

9(1) The **ISO** may, as part of an assessment set out in subsection 8(1), determine that a compliance monitoring audit of a **market participant** is required in order to more fully review the **market participant's** compliance with **ISO rules, reliability standards** or load settlement rules.

(2) The **ISO**, and its appointed third party, if any, must, with respect to the conduct of any compliance monitoring audit, work with the **market participant** to set a reasonable time for the conduct and completion of the audit.

(3) The **ISO** or its appointed third party, if any, must develop a report for each compliance monitoring audit which must include the following:

- (a) a description of the objective, scope and methodology of the audit;
- (b) any suspected or potential contraventions with **ISO rules, reliability standards** or load settlement rules;
- (c) any mitigation or remedial action measures which have been completed or are pending by the **market participant**; and
- (d) the nature of any confidential information provided.

(4) The **ISO** must provide a draft of the compliance monitoring audit report to the **market participant** for comment before the **ISO** completes the report.

Reports to the Commission

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10(1) The **ISO** must:

- (a) in accordance with section 11 of **Commission Rule 021 Settlement System Code Rules**; and
- (b) to the extent that the **ISO** conducts an investigation regarding compliance with load settlement rules;

at the conclusion of the investigation, submit a written report to the **Commission** detailing:

- (c) the original complaint reference;
- (d) a summary of the investigation carried out;
- (e) a list of requests for information from **market participants**;
- (f) the findings resulting from the investigation; and
- (g) any recommendation arising from the investigation or findings.

(2) The **ISO** may only provide the report identified in subsection 10(1) to the **Commission**, the **market participant** that is the subject of the report, and the complainant, if any.

Referral to the Market Surveillance Administrator

11(1) The **ISO** must, subject to provisions in the **Act** or related regulations and if the **ISO** suspects that a **market participant** has contravened the **ISO rules** or **reliability standards**, refer the matter, in writing, to the **Market Surveillance Administrator**.

(2) The **ISO** must provide written notice to the **market participant** whose compliance is in question when a matter is referred to the **Market Surveillance Administrator** in accordance with subsection 11(1).

Referral to the Commission

12(1) The **ISO** must, subject to provisions in the **Act** and any rules the **Commission** makes respecting load settlement and if the **ISO** suspects that an infraction of the load settlement rules has occurred, refer the matter, in writing, to the **Commission**.

(2) The **ISO** must provide written notice to the **market participant** whose compliance is in question when a matter is referred to the **Commission** in accordance with subsection 12(1).

Compliance Exceptions

13 A **market participant** is not required, notwithstanding any other provision in the **ISO rules**, to comply with a provision of the **ISO rules** to the extent the **market participant's** action or inaction is caused by any one (1) or more of the following:

- (a) an event of **force majeure** but only if the **market participant** gives written notice to the **ISO** of the **force majeure** in reasonable detail no later than two (2) **business days** after it knows of the event or condition and makes all reasonable efforts to cure, mitigate or remedy the **force majeure**;
- (b) a circumstance related to the operation of a **pool asset, transmission facility** or **electric**

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- distribution system** which if it operated could reasonably be expected to affect the immediate safety of equipment, the environment, staff or the public;
- (c) actions or omissions that are consistent with **good electric industry practice** in a **system emergency**;
 - (d) actions or omissions specifically required under the **Act** or related regulations, other applicable legislation or related regulations, or by a regulatory authority with jurisdiction; or
 - (e) actions or inactions in response to a **directive**.

Return of Information to a Market Participant

14(1) The **ISO** may maintain in its possession information obtained pursuant to this section 103.12 for as long as the **ISO**, in its sole discretion, deems necessary.

(2) The **ISO** must, notwithstanding subsection 14(1), return original, hard copy information obtained pursuant to this section 103.12 to the **market participant** that submitted the information within a reasonable time period following the **ISO's** receipt of a written request from that **market participant** for the same.

Revision History

Effective	Description
2012-12-14	Initial Release