

*PROPOSED REVISIONS
TO MARKET RULES*



June 13, 2005

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1 *Introduction*

2
3 This document describes proposed Market Rule changes for discussion. Some of
4 the changes merely tidy up of the document by removing interim rules once they
5 have become obsolete. Such changes are contemplated in the current rules and do
6 not require formal review and approval. Other changes are proposed in order to
7 resolve issues that have been identified since the October 1, 2004 publication of
8 the current rules.

9
10 The draft plan for implementing these changes (with relevant market rules in
11 parentheses) is as follows:

12
13 **Initiation**

| | | |
|----|---|---------------|
| 14 | NBSO Submits Proposal to MAC (3B.2.1) | June 13, 2005 |
| 15 | NBSO Publishes Notice ¹ (3B.2.1) | June 14, 2005 |

16
17 **Review by MAC**

| | | |
|----|---|---------------|
| 18 | Vote by MAC (3B.3.2) | June 20, 2005 |
| 19 | MAC Report to NBSO (3B.3.2) | June 20, 2005 |
| 20 | NBSO Publishes MAC Recommendations (3B.3.3) | July 1, 2005 |

21 **Review and Decision by Board**

| | | |
|----|--|----------------------------|
| 22 | Final Review and Vote by NBSO Board (3B.4.1) | July 21, 2005 |
| 23 | NBSO Publishes Amendment (3B.4.3) | July 25, 2005 ² |
| 24 | (Elapsed time of at least 30 days required) | |

| | | |
|----|----------------|--------------|
| 25 | Effective Date | Sept 1, 2005 |
|----|----------------|--------------|

¹ And notification of all Market Participants and Transmitters (presumably by email)

² And notification of all Market Participants and Transmitters (presumably by email)

1 **Item 01 Schedules Up To One Month Long**

2
3 **Impact on Market Rules**

4 This Item requires revisions to Section 6.5.6 of the Market Rules.

5
6 **Description**

7 It is proposed to increase the permitted maximum duration of energy schedules (i.e.
8 Balanced Schedules) from 5 days to 1 month.

9
10 **Reasoning**

11 Some transactions in the marketplace are monthly transactions so limiting Balanced
12 Schedule duration to anything less than a month increases the administrative burden for
13 Market Participants and NBSO. Also the chance of error in data entry is higher due to
14 the requirement to enter the data on more occasions.

15
16 **References**

- 17 • Market Rule Section 6.5.6.

18
19 **Current Wording**

20 6.5.6. A Market Participant may submit Dispatch Data or a Balanced Schedule for each
21 of up to five days ahead.

22
23 **Revised Wording**

24 6.5.6. A Market Participant may submit Dispatch Data ~~or a Balanced Schedule~~ for each
25 of up to five days ahead, and a Balanced Schedule for each of up to thirty-two days
26 ahead.

1
2 **Item 02 Revise Procedure for Curtailment of Over-Committed Generator**
3

4 **Impact on Market Rules**

5 Revise Market Rules 6.8.3, 6.9.7, and 6.10.11 to improve the procedure by which NBSO
6 curtails over-committed generation.
7

8 **Description**

9 The current rules require that NBSO curtail schedules against over-committed generation
10 on a pro rata basis. The proposed rules permit the Market Participant for the Generator
11 to specify a sequence of priorities for curtailment in the case of over-committed
12 generation.
13

14 **Reasoning**

15 There may be a substantial difference in the financial impact on the Market Participant
16 for the Generator (or on the Market Participant that submits the Balanced Schedule) of
17 curtailing one schedule versus another.
18

19 There is no reliability impact of the proposed rule change.
20

21 **References**

- 22 • Revise Market Rules 6.8.3, 6.9.7, and 6.10.11.
23

24 **Current Wording**

25 “6.8.3 Where section 6.8.2 applies, the SO shall also automatically make the following
26 adjustments:

- 27 a) the Provisional Dispatch Data for the Generation Facility shall be adjusted by setting to
28 zero the re-dispatch price for energy up to either Q(0) or, if applicable, to the load profile
29 determined by the Generation Facility's registration data with respect to ramping, its
30 Minimum Run Quantity and its Minimum Run Time; and

1 b) the applicable Provisional Balanced Schedule quantities for the relevant hours and the
2 applicable Generation Facility shall be proportionately reduced so as not to exceed
3 $Q(n_{max})$.”

4
5 6.9.7Def Where section 6.9.6 applies, the SO shall also automatically make the following
6 adjustments:

7 a) the Dispatch Data for the Generation Facility shall be adjusted by setting to zero the re-
8 dispatch price for energy up to either $Q(0)$ or, if applicable, to the load profile determined
9 by the Generation Facility's registration data with respect to ramping, its Minimum Run
10 Quantity and its Minimum Run Time; and

11 b) the applicable Final Day Ahead Balanced Schedule quantities for the relevant hours and
12 the applicable Generation Facility shall be proportionately reduced so as not to exceed
13 $Q(n_{max})$.

14
15 6.10.11Def Where section 6.10.10 applies, the SO shall also automatically make the
16 following adjustments:

17 a) the Final Day Ahead Dispatch Data for the Generation Facility shall be adjusted by
18 setting to zero the re-dispatch price for energy up to either $Q(0)$ or, if applicable, to the
19 load profile determined by the Generation Facility's registration data with respect to
20 ramping, its Minimum Run Quantity and its Minimum Run Time; and

21 b) the applicable Final Hourly Balanced Schedule quantities for the relevant hours and the
22 applicable Generation Facility shall be proportionately reduced so as not to exceed
23 $Q(n_{max})$.

24
25 **Revised Wording**

26 “6.8.3 ...

27 b) the applicable Provisional Balanced Schedule quantities for the relevant hours and the
28 applicable Generation Facility shall be adjusted in accordance with the instructions
29 provided by the Market Participant for the Generation Facility, or in the absence of such
30 instructions, proportionately reduced so as not to exceed $Q(n_{max})$.”

1 6.9.7~~Def~~ ...

2 b) the applicable Final Day Ahead Balanced Schedule quantities for the relevant hours and
3 the applicable Generation Facility shall be adjusted in accordance with the instructions
4 provided by the Market Participant for the Generation Facility, or in the absence of such
5 instructions, proportionately reduced so as not to exceed $Q(n_{max})$.

6

7 6.10.11~~Def~~ ...

8 b) the applicable Final Hourly Balanced Schedule quantities for the relevant hours and the
9 applicable Generation Facility shall be adjusted in accordance with the instructions
10 provided by the Market Participant for the Generation Facility, or in the absence of such
11 instructions, proportionately reduced so as not to exceed $Q(n_{max})$.

12

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3 **Item 03 Minor Clarifications and Corrections**
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5 **Impact on Market Rules**

6 Revise various Market Rules as required to clarify and correct
7

8 **Description**

9 See Impact on Market Rules above.
10

11 **Reasoning**

12 See Impact on Market Rules above.
13

14 There is no reliability impact of the proposed rule change.
15

16 **References**

- 17 • Revise Market Rules
18

19 **Current Wording**

20 “6.10.12The SO shall, commencing 30 minutes prior to the start of each Dispatch Hour,
21 adopt as Final Hourly Dispatch Data the Final Day Ahead Dispatch Data, as modified
22 where applicable by accepted changes under sections 6.10.3, 6.10.4 and/or 6.10.7. “
23

24 ...

25 **Revised Wording**

26 “6.10.12The SO shall, commencing 30 minutes prior to the start of each Dispatch Hour,
27 adopt as Final Hourly Dispatch Data the Final Day Ahead Dispatch Data, as modified
28 where applicable by accepted changes under sections 6.10.3, 6.10.4, 6.10.5A, and/or
29 6.10.7. “

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2 **Item 04 Allocate Congestion Costs on Coincident Peak**
3

4 **Impact on Market Rules**

5 This Item proposes to correct an unintended discrepancy between the Market Rules and
6 the OATT by revising the Market Rules to allocate congestion costs on coincident loads
7 rather than non-coincident loads.
8

9 **Description**

10 See Impact on Market Rules above.
11

12 **Reasoning**

13 The Market Rules and the OATT should be consistent and where they are not consistent
14 the OATT takes precedence. This particular discrepancy was not written up as a deferred
15 policy pending Tariff Revision Date so apparently the author, or authors, did not
16 recognize the conflict. The OATT approach to the allocation of congestion costs is
17 consistent with the FERC *pro forma* tariff.
18

19 There is no reliability impact of the proposed rule change.
20

21 **References**

- 22 • Revise Market Rules 7.9.2
23

24 **Current Wording**

25 Please refer to the current Market Rules.
26

27 **Revised Wording**

28 To be drafted to be consistent with the OATT.
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Item 05 Deletion of Relevant “Int Rules” and “Def”

Impact on Market Rules

This Item is a proposal to remove “Int” sections that were only in effect until Tariff Revision Date, Systems Implementation Date, and other reasons. It also proposes the removal of the word “Def” and highlighting from the sections that are deferred. Section 2.6.15A was not marked as “Int”, but it became obsolete as of Systems Implementation Date and therefore should be deleted

Description

See Impact on Market Rules above.

Reasoning

This update is contemplated by the current Market Rules and is effectively a clean-up of the rules.

There is no reliability impact of the proposed rule change.

References

- Market Rules sections as indicated by Appendix 1A, 1B, and 1C.
- Section 2.6.15A on Self-Scheduling.

Current Wording

Please refer to the current Market Rules.

Revised Wording

Please refer to the current Market Rules.

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Item 06 Change MAC Minimum Age to 19 from 18

Impact on Market Rules

This Item proposes a revisions to Section 3A.2.2 of Appendix 3A that says that to be a MAC member, one must be at least 18 years old.

Description

See Impact on Market Rules above.

Reasoning

In New Brunswick the legal age of majority is 19, not 18.

There is no reliability impact of the proposed rule change.

References

- Revise Market Rules Section 3A.2.2.

Current Wording

Please refer to the current Market Rules.

Revised Wording

“3A.2.2 The SO shall not appoint a person to the Market Advisory Committee if that person:

- a) is less than ~~eighteen~~ nineteen years of age;”

1
2 **Item 07** Revise Due Date for Case Where the 20th Day is Not a Business Day
3

4 **Impact on Market Rules**

5 This Item proposes a revision to Section 7.13.2 of the Market Rules to revise the due date
6 for payments to the SO in the situation where the 20th is not a Business Day.
7

8 **Description**

9 See Impact on Market Rules above.
10

11 There is no reliability impact of the proposed rule change.
12

13 **Reasoning**

14 The current wording is in conflict with the OATT. In the case of conflict the OATT takes
15 precedence. This conflict appears to be an oversight as opposed to an intended revision
16 because the rule was not written as a deferred rule.
17

18 **References**

- 19 • Market Rules Section 7.13.2.
20 • OATT Section 7.1.
21

22 **Current Wording**

23 Please refer to the current Market Rules.
24

25 **Revised Wording**

26 The proposal is to revise the current wording to the following:

27 “Such electronic funds transfer shall be completed no later than the close of banking
28 business of the SO’s bank on the 20th day of the month or, if not a Business Day, on the
29 closest previous Business Day, as designated on the calendar referred to in section 7.1.2.”