

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 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

if 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** 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.

Declaration Invoking a State of Limited Markets Operations

3(1) The **ISO** must, if it is invoking a state of limited markets operations, issue a declaration that includes:

- (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.

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

(3) The **ISO**, from time to time, 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.

(4) 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.

ISO Rules

Part 200 Markets

Division 202 Dispatching the Markets

Section 202.7 Markets Suspension or Limited Markets Operations



Dispatches During a State of Limited Markets Operations

4(1) The **ISO** must, during a state of limited markets operations:

- (a) 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(2), 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.

(2) The **ISO** may, if the system marginal price exceeds the reference price during a state of limited markets operations, terminate any one or all of the **dispatch down services** referred to in subsection 4(1)(b) until the termination of the state of limited markets operations.

Energy Market Pricing During a State of Limited Markets Operations

5 The **ISO** must, during a state of limited markets operations, 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).

Other Pricing During a State of Limited Markets Operations

6 The **ISO** must, during a state of limited markets operations:

- (a) make **dispatch down service** payments based on the system marginal price in each minute; and
- (b) make **ancillary services** payments based on the **pool price**;

but may suspend uplift payments and payments for **transmission constraint rebalancing** 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, 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(4) 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) 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 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

ISO Rules

Part 200 Markets

Division 202 Dispatching the Markets

Section 202.7 Markets Suspension or Limited Markets Operations



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(d);

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, if it is invoking a state of markets suspension, issue a declaration that includes:

- (a) the reasons that the **ISO** is invoking the state of markets suspension; and
- (b) the commencement date and time of the state of markets suspension.

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

(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.

(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 The **ISO**:

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

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

System Marginal Pricing during a State of Markets Suspension

11 The **ISO** must, during a state of markets suspension, determine the system marginal price at each

ISO Rules

Part 200 Markets

Division 202 Dispatching the Markets

Section 202.7 Markets Suspension or Limited Markets Operations



minute, which price must be either the prior 30 **day** average **on peak** price or **off peak** price, depending on the hour of **day** the state of markets suspension is in effect.

Operating Costs Recovery for Certain Market Participants

12(1) 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, 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) A **market participant** may, subject to subsection 12(3), include the following in the operating costs referred to in subsection 12(1):

- (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 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;

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 to a **pool participant** 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 Section 202.7.

Termination of a State of Markets Suspension

13(1) The **ISO** must, by issuing a declaration, 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(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 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 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.

ISO Rules

Part 200 Markets

Division 202 Dispatching the Markets

Section 202.7 Markets Suspension or Limited Markets Operations



Revision History

Effective	Description
20XX-XX-XX	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.
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 unbolded. Updated to refer to Section 201.6 <i>Pricing</i> .
2011-10-13	Initial release