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# 1, Introduction

## 1.0, Description

*This chapter sets out the rules relating to the nature and scope of the Nova Scotia wholesale electricity market and Renewable to Retail electricity market, the nature, scope and applicability of the Market Rules, the relationship with other documents, and certain general provisions.*

### 1.1, Nature and scope of the Nova Scotia wholesale electricity market and Renewable to Retail electricity market.

#### 1.1.1, Bilateral markets

1.1.1.1, The Nova Scotia wholesale and Renewable to Retail electricity markets are markets in which eligible buyers and sellers may enter into bilateral transactions for the purchase and sale of electricity and related services. Eligible buyers and sellers (including eligible generators) may schedule their transactions over the Nova Scotia Transmission System in accordance with the Transmission Tariff and these Market Rules. Eligible generators may participate in the wholesale or Renewable to Retail markets and may sell certain Ancillary Services to the Nova Scotia Power System Operator (NSPSO) in accordance with these Market Rules.

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#### 1.1.2, Object of the wholesale electricity market and Renewable to Retail electricity market

1.1.2.1, The design object of each of the wholesale and Renewable to Retail electricity markets is the promotion of economical supply through competitive opportunity amongst eligible participants within the context of a safe reliable Nova Scotia electricity system.

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#### 1.1.3, Objects and responsibilities of the NSPSO

1.1.3.1, The objects of the NSPSO are:

- a) the safe and reliable operation of the Bulk Electricity Supply System; and

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b) to support the object of the markets described in paragraph 1.1.2.1; to that end, the NSPSO will strive to perform its functions under the Market Rules in a manner that is:

- i) non-discriminatory;
- ii) transparent;
- iii) robust; and
- iv) efficient,

and in all cases subject to and in accordance with all Legislation and Regulations, the Transmission Tariff, the Standards of Conduct, and the Market Rules.

1.1.3.2, The responsibilities of the NSPSO are:

- a) the specific responsibilities of the NSPSO stated in the Market Rules;
- b) the responsibilities of NSPI to
  - i) file amendments to the Transmission Tariff,
  - ii) provide transmission service under the Transmission Tariff,
  - iii) provide Ancillary Services under the Transmission Tariff,
  - iv) operate the Transmission System in accordance with the Transmission Tariff, and
  - v) schedule transactions on the interconnections between Nova Scotia and New Brunswick;

c) other responsibilities consistent with Legislation and Regulations, with the Transmission Tariff, with the Standards of Conduct and with the Market Rules, that may be assigned by NSPI.

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Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules  
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**1.1.4, Scope of eligibility for participation in the wholesale electricity market and Renewable to Retail electricity market**

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1.1.4.1, Eligibility for participation in the wholesale and Renewable to Retail electricity markets is defined in the Legislation and Regulations and in the Transmission Tariff.

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a) The present definition of eligible persons for the wholesale electricity market is:

j) In accordance with the Electricity Act, S.N.S. 2004, c.25:

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a Wholesale Customer,

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ii) In accordance with the Transmission Tariff:

(1) Any electric utility (including the Transmission Provider and any power marketer), power marketing agency, or any person generating electricity for sale or resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico; and

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(2) Any retail customer taking unbundled transmission service pursuant to a provincial or regulatory requirement that the Transmission Provider offer the transmission service is an Eligible Customer of the Tariff."

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b) The present definition of eligible persons for the Renewable to Retail electricity market is:

i) In accordance with the Electricity Act, S.N.S. 2004, c. 25:

(1) a Licensed Retail Supplier

1.1.4.2, Notwithstanding the provisions of the Transmission Tariff quoted in subparagraph 1.1.4.1.a) (ii), there is presently no provincial or regulatory requirement that the Transmission Provider offer the transmission service to any retail customer. In recognition thereof, the Board in its order NSUARB-

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NSPI-P-880 adopted the consensus proposal whereby “the OATT will be reviewed in the event the market is opened more broadly, and in such a review, the decisions made in this (May, 2005) proceeding will not be binding and shall not be treated as a precedent in any such subsequent review.” In recognition of this provision, and of section 1.4, the Department of Energy retains certain rights with respect to amendment of the Market Rules associated with any change in the eligibility for participation, as also noted in paragraph 2.4.1.2.

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1.1.4.3, Eligibility for receipt of Bundled Service by a Municipal Utility from NSPI is not impacted by participation in the wholesale market. These Market Rules therefore make provision for a Municipal Utility, that is also eligible for receipt of Bundled Service from NSPI to secure a portion of its supply though the wholesale market and a portion as Bundled Service.

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**1.1.5, Nova Scotia Power Inc.**

1.1.5.1, Nova Scotia Power Inc. (NSPI) has certain unique obligations and characteristics as particularly set out in the following sub-paragraphs.

- a) Nova Scotia Power Inc. has obligations under Legislation and Regulations, and in particular under the *Public Utilities Act*, RSNS 1989, c.380 for the provision of Bundled Service to consumers in Nova Scotia who request such supply, all subject to regulation by the Nova Scotia Utility and Review Board (the “Board”).
- b) Nova Scotia Power Inc. has obligations under the Transmission Tariff approved by the Board for the provision of transmission services to eligible persons, generally the same as those eligible for market participation.

c) The Nova Scotia Power System Operator (NSPSO) is a part of Nova Scotia Power Inc, Customer Operations division. The NSPSO’s interaction with generation and commercial functions of Nova Scotia Power Inc is governed by Standards of Conduct attached to the Transmission Tariff. The requirements for Participation Agreements, cash settlements, etc. are not relevant to divisions of NSPI. All divisions of

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NSPI are however bound to these rules by virtue of NSPSO's execution of Participation Agreements with other Market Participants.

- d) In view of the obligation of the NSPI Power Production division to serve the vast majority of provincial load and to provide Ancillary Services for supply to Transmission Customers under the Transmission Tariff, its generation scheduling and balancing arrangements are unique.

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These Market Rules recognise such unique provisions as they arise in each chapter or section.

1.1.5.2. Nova Scotia Power Inc. is bound by these Market Rules:

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- a) as the Nova Scotia Power System Operator (NSPSO) in respect of all NSPSO rights and obligations under these Market Rules, including direction of operation of the Transmission System and in certain circumstances direction of the operation of Generating Facilities;
- b) as the NSPSO acting on behalf of Customer Operations and Power Production divisions in respect of the actual control of the Transmission System and Distribution Systems, and of certain Generating Facilities;
- c) as NSPI Customer Operations division in respect of responsibilities for the Transmission System;
- d) as NSPI Customer Service division in respect of responsibilities for metering, metering data management, and settlement functions on behalf of the NSPSO;
- e) as a Market Participant in respect of its Customer Operations division responsibilities for operation of Distribution Systems Connected to the Transmission System;
- f) as a Market Participant in respect of its Power Production division responsibilities for operation of Generating Facilities and for energy supply under Bundled Service; and

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g) as a Market Participant in respect of its Power Production division activities relating to the import and export of electricity.

**1.1.6, Existing Generating Facilities operating under NSPI Power Purchase Agreements**

1.1.6.1, Unless otherwise determined by a NSPI Power Purchase Agreement or otherwise by agreement between the parties to such NSPI Power Purchase Agreement, paragraph 2.2.5.1 provides that NSPI PP or NSPI Customer Operations division will be the Market Participant for any Generating Facility in existence prior to the coming into effect of the Market Rules.

1.1.6.2, It is therefore NSPI PP or NSPI Customer Operations division which is responsible as Market Participant for compliance with these Market Rules in respect of such a Generating Facility.

1.1.6.3, These Market Rules are not intended to affect the rights and obligations of the parties to a NSPI Power Purchase Agreement or the associated Generator Interconnection Agreement that is in effect prior to the coming into effect of the Market Rules.

**1.2, Nature and scope of Market Rules**

**1.2.1, Purpose of Market Rules**

1.2.1.1, The purpose of the Market Rules is to define the rights and obligations of the NSPSO towards Market Participants, and of Market Participants towards the NSPSO, in respect of each of the wholesale and Renewable to Retail electricity markets described in section 1.1 and in the administration of the Transmission Tariff and the operation of the Bulk Electricity Supply System.

**1.2.2, Subject matter of Market Rules**

1.2.2.1, The Market Rules define rights and obligations between the NSPSO and Market Participants in respect of:

a) the markets themselves, their scope, objectives, and the Market Rules;

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- b) administration of the markets, including market participation, Facilities, Market Rule amendment, compliance & monitoring, dispute resolution, data collection and analysis, and the confidentiality or publication of information;
- c) planning and reliability functions in relation to the Bulk Electricity Supply System;
- d) operational functions in relation to the Bulk Electricity Supply System, including scheduling of energy transactions and Ancillary Services; and
- e) settlement functions.

### 1.3, Authority of Market Rules

#### 1.3.1, Legislated and contractual authority

1.3.1.1, Legislation and Regulations prohibit a person from using the Transmission System directly as a Market Participant, or by interconnection of a Generating Facility with a Distribution System, except in accordance with these Market Rules.

1.3.1.2, Those persons wishing to use the Transmission System as Market Participants or to interconnect a Generating Facility to a Distribution System are thus required to execute a market Participation Agreement with the NSPSO. The Participation Agreement gives contractual force to the Market Rules with respect to the relationship between the NSPSO and the Market Participant.

#### 1.3.2, Responsibilities to protect safety, assets and the environment

1.3.2.1, The Market Rules do not override any obligation or duty of the NSPSO or of any Market Participant for safety, for protection of assets from immediate harm, or for protection of the environment from immediate harm.

1.3.2.2, Any Market Participant becoming aware of any conflict between the Market Rules and any such obligation or duty shall notify the NSPSO of the conflict and

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of the circumstances, and shall collaborate with the NSPSO to mitigate impact and prevent recurrence.

**1.4, Relationship with the Transmission Tariff and other regulated tariffs, rates and Board orders**

1.4.1.1, It is the purpose of the Market Rules to define rights and obligations that are not the subject matter of the Transmission Tariff, of the Generator Interconnection Procedures, of the Standards of Conduct, of other tariffs or rates approved by the Board, or of any order of the Board, and to supplement the definition of Transmission Tariff rights and obligations where appropriate.

1.4.1.2, In the event of any conflict between a tariff (including schedules and attachments), the Generator Interconnection Procedures, the Standards of Conduct, a rate approved by the Board or an order of the Board, and these Market Rules, then the Board approved tariff, Generator Interconnection Procedures, Standards of Conduct, rate or Board order shall govern.

1.4.1.3, In the event that any Market Participant identifies any actual or potential conflict between a tariff (including schedules & attachments), the Generator Interconnection Procedures, the Standards of Conduct, a rate approved by the Board or an order of the Board and these Market Rules, it shall notify the NSPSO and seek clarification or appropriate correction.

1.4.1.4, These Market Rules are subject to and may be superseded by orders of the Board.

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**1.5, Subordinate and other documentation**

**1.5.1, General**

1.5.1.1, The NSPSO may Publish subordinate documentation under these Market Rules, comprising standards, codes, and Market Procedures.



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- 1.5.1.2, The NSPSO and Market Participants shall comply with, and as applicable shall ensure that their Facilities comply with, all such standards and codes.
- 1.5.1.3, The NSPSO and Market Participants shall comply with Market Procedures in fulfilling their obligations under these Market Rules and if applicable under the Transmission Tariff.

**1.5.2, Standards**

- 1.5.2.1, Standards typically establish technical requirements for equipment, Facilities, systems, etc.

**1.5.3, Codes**

- 1.5.3.1, Codes may be used to define processes involving multiple Market Participants.

**1.5.4, Market Procedures**

- 1.5.4.1, Market Procedures typically define detailed processes to be used by the NSPSO and / or Market Participants in fulfilling obligations or exercising rights defined in the Market Rules.
- 1.5.4.2, Market Procedures exclude the internal procedures of the NSPSO and the internal procedures of Market Participants.

**1.5.5, Conflicts**

- 1.5.5.1, In the event that any Market Participant identifies any actual or potential conflict between any standard, code, or Market Procedure and a tariff (including schedules and attachments) or rate approved by the Board, or the NSPI Standards of Conduct, or these Market Rules, it shall notify the NSPSO and seek clarification or appropriate correction.

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## 1.6, General provisions

### 1.6.1, Computation of Time

1.6.1.1, In the computation of time under the Market Rules, unless a contrary intention appears, if there is a reference to a number of days between two events, they are counted by excluding the day on which the first event happens and including the day on which the second event happens.

1.6.1.2, In the computation of time under the Market Rules other than Chapter 4, unless a contrary intention appears, if the time for doing any act or thing expires on a day which is not a Business Day, the act or thing may be done on the next day that is a Business Day. In the computation of time under Chapter 4, unless a contrary intention appears, any act or thing required to be done on a day shall be done on such day whether or not a Business Day. The computation of time under a Market Procedure adopted in respect of the subject-matter of a chapter of the Market Rules shall be governed by the same rule as for the computation of time for that chapter.

1.6.1.3, In the Market Rules, unless the context otherwise requires:

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- a) a reference to time is a reference to Atlantic time, which is the prevailing Atlantic standard or Atlantic daylight time in the Province of Nova Scotia;
- b) a reference to time without the qualification "am", "a.m.", "pm" or "p.m." is a reference to time based on a 24-hour clock;
- c) a reference to an hour ("hour 'x'") is a reference to the hour ending at x:00; and
- d) a reference to hour "1" is a reference to the hour ending at 1:00 and all references to subsequent hours in a day are numbered accordingly.

### 1.6.2, Currency

1.6.2.1, All references in the Market Rules, a settlement statement or an invoice to a monetary amount are expressed in Canadian dollars.

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1.6.2.2, Any payment required to be made by or to the NSPSO or a Market Participant under any of the documents referred to in paragraph 1.6.2.1 shall be made in Canadian dollars.

### 1.6.3, Notice, Notification, Service and Filing

1.6.3.1, Subject to paragraph 1.6.3.3, and unless a contrary intention appears, notice is properly given, notification is properly made and service, filing, issuance and submission is properly effected under the Market Rules:

- a) by courier or other form of personal delivery;
- b) by registered mail addressed to the person at the address for service (if any) supplied by the person to the sender or, where the person is a Market Participant, to the address shown for that person in the list of Market Participants maintained by the NSPSO under paragraph 2.9.5.2 or, where the person is the NSPSO, to the registered office of the NSPSO;
- c) by facsimile or electronic mail to a number or reference which corresponds with the address referred to in sub-paragraph 1.6.3.1(b); or
- d) by web-based messaging to a number or reference which corresponds with the address assigned to the receiving person by the NSPSO under the applicable Market Procedure.

1.6.3.2, Subject to paragraph 1.6.3.3, and unless a contrary intention appears, notice, notification, service, filing, issuance or submission shall be treated as having been duly given, made or effected to a person by the sender:

- a) where given, made or effected by facsimile in accordance with sub-paragraph 1.6.3.1(c) and a complete transmission report is issued from the sender's facsimile transmission equipment:
  - i) where notice, notification, service, filing or submission is of the type in relation to which the addressee is obliged to monitor the receipt by facsimile outside of, as well as during, business hours, on the

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day and at the time of transmission as indicated on the sender's facsimile transmission report; and

- ii) in all other cases, on the day and at the time of transmission as indicated on the sender's facsimile transmission report, if a Business Day or, if the transmission is on a day which is not a Business Day or is after 5:00 pm (addressee's time), at 9:00 am on the following Business Day;
- b) where given, made or effected by electronic mail in accordance with sub-paragraph 1.6.3.1(c):
  - i) where notice, notification, service, filing or submission is of a type in relation to which the addressee is obliged to monitor receipt by electronic mail outside of, as well as during, business hours, on the day and at the time when the notice or notification is recorded by the sender's electronic communication system as having been first received at the electronic mail destination; and
  - ii) in all other cases, on the day and at the time when the notice, notification or document or other material served, filed or submitted is recorded by the sender's electronic communications system as having been first received at the electronic mail destination, if a Business Day, or if that time is after 5:00 pm (addressee's time) or the day is not a Business Day, at 9:00 am on the following Business Day;
- c) where given, made or effected by web-based messaging in accordance with sub-paragraph 1.6.3.1(d), on the day and at the time when the web-based message is sent; or
- d) in any other case, when the person actually receives the notice, notification or document or other material served, filed or submitted.

1.6.3.3, Unless a contrary intention appears, instructions, directions and orders of the NSPSO may be given or issued to Market Participants:

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- a) in accordance with paragraphs 1.6.3.1 and 1.6.3.2; or
- b) by voice communication, in which case the instruction, direction or order shall be deemed validly given or issued at the time of communication.

**1.6.4, Publication**

1.6.4.1, In the Market Rules, unless a contrary intention appears, where any document or information is required by the Market Rules or by Legislation and Regulations to be Published by the NSPSO, Publication shall be effected by placing the document or information on that part of the NSPSO's web site that is accessible to the public. The document or information shall be deemed to be Published when the document or information has been so placed.

1.6.4.2, Where the Market Rules or Legislation and Regulations prescribe a mode of publication other than that described in paragraph 1.6.4.1 in respect of a specified document or information, the NSPSO shall, in addition to complying with paragraph 1.6.4.1 comply with the publication requirement applicable to such document or information as is so prescribed. In such a case, the document or information shall be deemed to be published on the date on which the prescribed publication requirement has been satisfied.

**1.6.5, Liability and Indemnification**

1.6.5.1, Except as otherwise provided in the Market Rules or in the Transmission Tariff, neither the NSPSO nor NSPI shall be liable for any claims, losses, costs, liabilities, obligations, actions, judgments, suits, expenses, disbursements or damages of a Market Participant or its directors, officers or employees whatsoever, howsoever arising and whether as claims in contract or in tort (including but not limited to negligence) or otherwise, arising out of any act or omission of the NSPSO in the exercise of any power or obligation under the Market Rules unless such claim, loss or damages result from wilful misconduct by or any negligent act or omission of the NSPSO.

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1.6.5.2, For the purposes of paragraph 1.6.5.1, an act or omission of the NSPSO effected in compliance with the Market Rules shall be deemed not to constitute wilful misconduct or a negligent act or omission.

1.6.5.3, Each Market Participant shall give prompt notice to the NSPSO of any claim with respect to which indemnification is being sought under paragraph 1.6.5.1.

1.6.5.4, Except as otherwise provided in the Market Rules other than in this sub-section 1.6.5, in no event shall the NSPSO be liable to indemnify and hold harmless a Market Participant or its directors, officers or employees from or in respect of:

- a) any indirect or consequential loss or incidental or special damages, including punitive damages; or
- b) any loss of profit, loss of contract, loss of opportunity or loss of goodwill;

and no Market Participant shall assert or attempt to assert any claim against the NSPSO or NSPI or its directors, officers, employees or affiliates in respect of any of the losses or damages referred to in sub-paragraphs 1.6.5.4 a) or 1.6.5.4 b).

1.6.5.5, Each Market Participant shall have a duty to mitigate damages, losses, liabilities, expenses or costs relating to any claim for indemnification from the NSPSO that may be made under paragraph 1.6.5.1. Nothing in this paragraph 1.6.5.5 shall require the Market Participant to mitigate or alleviate the effects of any strike, lockout, restrictive work practice or other labour dispute.

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1.6.5.6, Except as otherwise provided in the Market Rules, in Legislation and Regulations, or in the Transmission Tariff, a Market Participant shall not be liable for any claims, losses, costs, liabilities, obligations, actions, judgments, suits, expenses, disbursements or damages of the NSPSO or its directors, officers or employees whatsoever, howsoever arising and whether as claims in contract or in tort (including but not limited to negligence) or otherwise, arising out of any act or omission of the Market Participant in the exercise of any power or obligation under the Market Rules, unless such claim, loss or damages results from wilful misconduct by or any negligent act or omission of the Market Participant.

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1.6.5.7, For the purposes of paragraph 1.6.5.6, an act or omission of a Market Participant effected in compliance with the Market Rules shall be deemed not to constitute wilful misconduct or a negligent act or omission.

1.6.5.8, The NSPSO shall give prompt notice to the applicable Market Participant of any claim with respect to which indemnification is being sought under paragraph 1.6.5.6.

1.6.5.9, Except as otherwise provided in the Market Rules other than in this sub-section 1.6.5, in no event shall a Market Participant be liable to indemnify and hold harmless the NSPSO or its directors, officers or employees from or in respect of:

- a) any indirect or consequential loss or incidental or special damages, including punitive damages; or
- b) any loss or profit, loss of contract, loss of opportunity or loss of goodwill.

1.6.5.10 The NSPSO shall have a duty to mitigate damages, losses, liabilities, expenses or costs relating to any claim for indemnification from a Market Participant that may be made under paragraph 1.6.5.6. Nothing in this paragraph 1.6.5.10 shall require the NSPSO to mitigate or alleviate the effects of any strike, lockout, restrictive work practice or other labour dispute.

1.6.5.11 Nothing in this sub-section 1.6.5 shall be read as limiting the right of the NSPSO to impose a financial penalty or other sanction, including the imposition of conditions on Market Participant, Suspension or Termination of that Market Participant, or Disconnection of its Facilities in accordance with the provisions of the Market Rules.

**1.6.6, Force Majeure**

1.6.6.1, The Force Majeure provisions of the Transmission Tariff, including in particular section 10.1 thereof, are applicable to the Market Rules.

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## 1.6.7, Contractual Liability

1.6.7.1 The liability and indemnification provisions of sub-section 1.6.5 and, where applicable, of any other section of the Market Rules other than this paragraph 1.6.7.1, and the Force Majeure provisions of sub-section 1.6.6 shall apply to any agreement or contract referred to in the Market Rules to which the NSPSO and a Market Participant are parties or to the terms of which the NSPSO and a Market Participant are bound and to all acts or omissions of the NSPSO or the Market Participant in the exercise or performance or the intended exercise or performance of any power or obligation under such agreement or contract. In the event of an inconsistency between such liability, indemnification and Force Majeure provisions and the liability, indemnification and Force Majeure provisions of such agreement or contract, the liability and indemnification provisions of sub-section 1.6.5 and, where applicable, of any other section of the Market Rules, and the Force Majeure provisions of sub-section 1.6.6 shall prevail to the extent of the inconsistency.

## 1.7, Definitions and interpretation

### 1.7.1, Defined terms and acronyms

1.7.1.1, Defined terms used in these Market Rules are capitalized.

1.7.1.2, Terms defined for the purposes of these Market Rules are set out in Appendix 1A.

1.7.1.3, Unless otherwise defined in these Market Rules, or unless the context otherwise requires, terms defined in the Transmission Tariff have the meaning in these Market Rules that is ascribed to them in the Transmission Tariff.

1.7.1.4, Unless otherwise defined in these Market Rules or the Transmission Tariff, or unless the context otherwise requires, terms defined in the Legislation and Regulations have the meaning in these Market Rules that is ascribed to them in the Legislation and Regulations.

1.7.1.5, Acronyms used in these Market Rules are defined in Appendix 1A.



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**1.7.2, General rules of interpretation**

1.7.2.1, General rules of interpretation are set out in Appendix 1B.

**1.7.3, Questions of interpretation**

1.7.3.1, Any person having a question of interpretation of the Market Rules should address such question to the NSPSO.

Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules  
Appendix 1A, Definitions and Acronyms

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## Appendix 1A

### Definitions and acronyms

Ref	Acronym or term	Chapter	Definition or reference
<u>1A.000</u>	<u>Act</u>	<u>General</u>	<u>The Electricity Act, S.N.S. 2004, c. 25, as amended from time to time.</u>
1A.001	Adequacy	3 & 4	The ability of a Zone, a Transmission System or the Bulk Electricity Supply System to supply aggregate electrical demand and energy requirements to some recognized degree of certainty at all times, taking into account scheduled and reasonably unscheduled Outages of facilities, equipment or components.
1A.002	Ancillary Service	General	In accordance with the Transmission Tariff section 1.0 “Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider’s Transmission System in accordance with Good Utility Practice.”
1A.003	Board	General	The Nova Scotia Utility and Review Board (as also defined in Transmission Tariff section 1.0).
1A.004	Bulk Electricity Supply System	General	The Transmission System and all Generating Facilities required in accordance with these market Rules to be registered with the NSPSO, including all related communication, protection and control systems, etc.

Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules  
 Appendix 1A, Definitions and Acronyms

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1A.005	Bundled Service	General	<p>In accordance with the Transmission Tariff section 1.0. "Electrical service taken from NSPI under Rates and Regulations approved by the Board. This takes the form of having generation, transmission, distribution, ancillary services and all other items associated with the provision of such service blended or bundled within the rate."</p> <p><u>For certainty, Bundled Service does not include services taken from NSPI under the Distribution Tariff, the Energy Balancing Service Tariff, the Standby Service Tariff or the Renewable to Retail Market Transition Tariff.</u></p> <p>As used in the Market Rules, the term refers to the service provided at a Transmission System Point of Delivery, exclusive of use of a Distribution System.</p> <p><i>Related definition: Partially Unbundled Service</i></p>
1A.006	Business Day	General	<p>In accordance with the Transmission Tariff section 1.0 "A Business Day is Monday to Friday, inclusive, excluding holidays. The regular business hours on a Business Day are from 08:30 to 16:30 Atlantic Time."</p>

Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules  
 Appendix 1A, Definitions and Acronyms

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1A.007	Confidential Information	General	Information that is (a) expressly required by the Market Rules or a Market Procedure to be kept confidential; (b) identified in writing as confidential by the disclosing person at the time of disclosure; or (c) derived from information referred to in (a) and (b), but does not include information that is required by the Market Rules to be Published by the NSPSO in its original or a modified form or otherwise made available to others Further, the following will not constitute Confidential Information for purposes of these Market Rules: (i) information which is or becomes generally available to the public other than as a result of a disclosure by the NSPSO or its authorized representatives; (ii) information which was already known to NSPSO on a non-confidential basis prior to being furnished to NSPSO by a Market Participant; (iii) information which becomes available to NSPSO on a non-confidential basis from a source other than a Market Participant or a representative of a Market Participant if such source was not subject to any prohibition against transmitting the information to NSPSO and was not bound by a confidentiality agreement with the Market Participant; or (iv) information which was independently developed by the NSPSO or its representatives without reference to, or consideration of, the Confidential Information.
1A.008	Connect	General	Complete and commission the physical works needed to allow synchronization of a Generating Facility, Load Facility or Distribution System to the Transmission System.  <i>Related definitions: Disconnect, Synchronize</i>
1A.009	Connected	General	Having the physical works needed to allow synchronization of a Generating Facility, Load Facility or Distribution System to the Transmission System.
1A.010	Connection Applicant	3	A person who has executed a System Impact Study agreement with NSPI in accordance with the Generation Interconnection Procedure.
1A.011	Control Action	4	An action taken by the NSPSO for the preservation of Reliability, which is beyond the normal operating regime of the wholesale <u>and Renewable to Retail electricity</u> markets.

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1A.012	Day Ahead	4	In respect of a Dispatch Day, the last Business Day preceding the Dispatch Day.
1A.013	De-synchronize	4	Temporarily break the connection, typically by opening a breaker, between a Facility and the Transmission System.  <i>Related definitions; Synchronize; Disconnect.</i>
1A.014	Disconnect	General	Remove, on a permanent or enduring basis, the ability of a Facility to be synchronized to the Transmission System.  <i>Related definitions: Connect; De-synchronize.</i>
1A.015	Dispatch Day	4	Any day on which the NSPSO schedules and dispatches Facilities including a Saturday, Sunday or holiday.
1A.016	Dispatchable Generating Facility	2, 4	As defined in paragraph 2.2.4.1.
<u>1A.016.1</u>	<u>Distribution Generator Interconnection Procedures</u>	<u>2</u>	<u>The NSPI standard generator interconnection procedures applicable to Generating Facilities <math>\geq</math> 101kW, connected to Distribution Systems.</u>
1A.018	Distribution System	1, 2	A system for the conveyance of electricity at voltages less than 69 kV, including any transformer station for the transformation of electricity from voltages of 69 kV and above to voltages below 69 kV, and including all communications, protection and control equipment that interacts with the Transmission System.  Note that this is broader than the definition in the Generator Interconnection Agreement as it includes Distribution Systems owned by persons other than NSPI.
1A.019	DSM or Demand Side Management	3	DSM refers to activities or programs undertaken by a utility or its customers to influence the amount and timing of electricity usage. Included in DSM are the planning, implementation, and monitoring of activities that are designed to influence electricity use in ways that produce desired changes in load shape, such as direct load control, interruptible load, energy efficiency and conservation.

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1A.020	Emergency Planning Participant	3	A Market Participant identified by the NSPSO as an Emergency Planning Participant in accordance with sub-section 3.6.1.
1A.021	Export Generating Facility	2, 3 & 4	As defined in paragraphs 2.2.4.13 to 2.2.4.19.
1A.022	Facility	General	A Generating Facility, Load Facility or Distribution System.
1A.023	Facility Reactive Power Capability	4, 5	As defined in paragraph 5.5.1.2.
1A.024	Facility Reactive Power Capability Share	5	As defined in paragraph 5.5.1.4.
1A.025	Force Majeure	1	Force Majeure is defined for the purpose of these Market Rules by section 10.1 of the Transmission Tariff "An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing by any party."
1A.026	Forced Outage	3, 4	The removal from service of equipment for emergency reasons or a condition in which the facility equipment is unavailable, in whole or in part, due to unanticipated failure, and includes a forced de-rating. For greater certainty, the urgent removal from service or de-rating of equipment in order to prevent an actual failure that could jeopardize safety, the environment, or the equipment itself may, if it could not reasonably have been anticipated, be considered a Forced Outage.
1A.027	General Reliability Standards	3	As defined in paragraph 3.2.1.1.

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1A.028	Generating Facility	General	<p>One or more generators located at a single site together with all associated prime movers, station service equipment, communications protection and control equipment, and including any transformer station for the transformation of electricity to the voltage at which it is delivered to the transmission system or distribution system to which it is connected.</p> <p>Note that this is broader than the definition in the Generator Interconnection Agreement as it includes the Interconnection Customer's Interconnection Facilities, and it includes Generating facilities connected to a Distribution System.</p>
1A.029	Generation Market Participant	General	A Market Participant for one or more Generating Facilities.
1A.030	Generator Interconnection Agreement	2	The standard generator interconnection and operating agreement which forms Appendix 6 of the Generator Interconnection Procedures.
1A.031	Generator Interconnection Procedures	2, 3	The NSPI standard generator interconnection procedures approved by the Board. This is not part of the Transmission Tariff, but is referenced in attachment D to the Transmission Tariff.
1A.032	Intermittent Generating Facility	2, 4	As defined in paragraphs 2.2.4.2 to 2.2.4.4.
1A.033	Legislation and Regulations	General	<ul style="list-style-type: none"> <li>i) The law of Nova Scotia including the <i>Electricity Act</i>, SNS 2004, c.25 and the <i>Public Utilities Act</i>, RSNS 1989, c.380.</li> <li>ii) Regulations under the above acts, and</li> <li>iii) The laws of Canada as applicable</li> </ul> <p>all as amended from time to time.</p>

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1A.033.1	<u>Licenced Retail Supplier</u>	<u>General</u>	<p><u>A Retail Supplier who:</u></p> <p><u>(a) holds a valid Retail Supplier Licence; and</u></p> <p><u>(b) has a valid LRS Participation Agreement executed with NSPI.</u></p> <p><u>For certainty, a Wholesale Customer is not a Licenced Retail Supplier.</u></p>
1A.033.2	<u>LRS Participation Agreement</u>	<u>General</u>	<p><u>The agreement (and any amendments or supplements thereto) between a LRS and NSPI with respect to the sale of renewable low-impact electricity by the LRS in the form approved by the Board.</u></p>
1A.033.3	<u>Licenced Retail Supplier Market Participant</u>		<p><u>A Licenced Retail Supplier who has executed a market Participation Agreement (as defined in the Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules Appendix 1A) with the NSPSO in accordance with the requirements of the Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules.</u></p>
1A.034	Load Displacement Generating Facility	2, 4	As defined in paragraphs 2.2.4.9 to 2.2.4.12.
1A.035	Load Facility	General	A facility to which electricity is supplied from the Transmission System, including any transformer station for the transformation of electricity from 69 kV or higher voltage to below 69 kV, and including communications protection and control equipment that interacts with the Transmission System.
1A.036	Load Market Participant	General	A Market Participant for one or more Load Facilities or Distribution Systems.
1A.037	Market Manual	2	The Market Rules, codes, standards and Market Procedures that govern the wholesale <u>and Renewable to Retail</u> electricity market in Nova Scotia.

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1A.038	Market Participant	General	A person who has executed a Participation Agreement with the NSPSO, and NSPI itself as specified in sub-paragraphs 1.1.5.2 (e), (f), and (g). <u>For certainty, a person may be a Market Participant with respect to the wholesale electricity market or the Renewable to Retail electricity market.</u>
1A.039	Market Participant Reactive Power Capability Share	5	As defined in paragraph 5.5.1.11.
1A.040	Market Procedure	General	A Published document entitled as such and that contains procedures, processes and forms to be used by the NSPSO, Market Participants and others in fulfillment of their respective obligations under the Market Rules.
1A.041	Market Rules	General	The Wholesale <u>and Renewable to Retail</u> Market Rules made by the Nova Scotia Department of Energy as amended from time to time in accordance with section 2.4.
1A.042	Minor Generating Facility	2, 4	As defined in paragraphs 2.2.4.5 to 2.2.4.8.
<u>1A.042.1</u>	<u>Municipal Utility</u>	<u>1</u>	<u>This term has the same meaning as under the Act.</u>
1A.043	MVAR	5	Mega volt-amps reactive.
1A.044	NBSO	3, 4	New Brunswick System Operator.
1A.045	NERC	3	North American Electricity Reliability Council.
1A.046	Network Integration Transmission Service	4	In accordance with the Transmission Tariff, this is defined as the transmission service provided under part III of the Transmission Tariff.
1A.047	Network Operating Agreement	2	In accordance with the Transmission Tariff section 1.0 "An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Open Access Transmission Tariff."
1A.048	NPCC	3	North East Power Coordinating Council.

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1A.049	NSPI	General	Nova Scotia Power Inc.
1A.050	NSPI Power Purchase Agreement	1	An agreement between NSPI and an independent power producer for the purchase by NSPI of all the capacity and energy of one or more Generating Facilities owned or to be developed by the independent power producer, such that title to the purchased capacity and energy is transferred to NSPI at the Generating Facility.
1A.051	NSPI PP	General	The Power Production division of NSPI.
1A.052	NSPI Rates and Regulations	5	Documents titled as such, published by NSPI in accordance with one or more orders of the Board.
1A.053	NSPSO	General	Nova Scotia Power System Operator, a part of the Customer Operations division of NSPI.
1A.054	OASIS	4	Open Access Same-time Information System, being a web-accessible system operated by or for NSPI.
1A.055	Outage	3, 4	The removal of equipment from service, unavailability for Synchronization of equipment or temporary de-rating, restriction of use or reduction in performance of equipment below its characteristics as reflected in the applicable registration data, for any reason, and includes a Planned Outage and a Forced Outage.
1A.056	Outage Plan	3	A plan by NSPI or another Market Participant for one or more Outages of transmission elements or Generating Facilities.
1A.057	Partially Unbundled Service	General	Service provided by NSPI to wholesale customers for the supply of a portion of the electricity supplied from the Transmission System, in accordance with rates and regulations approved by the Board.  <i>Related definitions: Bundled Service; Unbundled Service</i>
1A.058	Participant Emergency Plan	3	The plan required to be prepared by an Emergency Planning Participant in accordance with sub-section 3.6.2.

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1A.059	Participation Agreement	1,2	The agreement in the form set forth in Appendix 2A executed between the NSPSO and each Market Participant other than NSPI following accreditation in accordance with sub-section 2.1.3.
1A.060	Planned Outage	3	An Outage that is planned and intentional.
1A.061	Point of Delivery	5	<p>In accordance with the Transmission Tariff section 1.0 "Point on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service".</p> <p>As used in the Market Rules the term also includes Network Integration Transmission Service under part III of the Transmission Tariff.</p>
1A.062	Point of Receipt	5	<p>In accordance with the Transmission Tariff section 1.0 "Point of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service."</p> <p>As used in the Market Rules the term also includes Network Integration Transmission Service under part III of the Transmission Tariff.</p>
1A.063	Point to Point Transmission Service	4	In accordance with the Transmission Tariff, this is defined as the reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under part II of the Transmission Tariff.

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1A.064	Prudential Support	2	One or more of a guarantee, Letter of Credit (as defined below) or other credit support from a person, each of which is in an amount, in a form and/or issued by a party which is set forth in the relevant Market Procedure or is otherwise acceptable to the NSPSO, securing the obligations owed or to be owed to the NSPSO by a Market Participant. "Letter(s) of Credit" shall mean one or more irrevocable, transferable standby letters of credit issued by a Schedule I Canadian Chartered Bank or a Canadian branch of a U.S commercial bank, with such bank having a Credit Rating (defined below) of at least A- from Standard & Poor's Ratings Group (a division of McGraw-Hill, Inc.) or its successor ("S&P") or A3 from Moody's Investor Services, Inc., or its successor ("Moody's"), in a form and for an amount acceptable to the NSPSO in its reasonable discretion. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit and not the NSPSO. "Credit Rating" means, with respect to an entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or, if such entity does not have a rating for its senior unsecured long-term debt, the rating then assigned to such entity as an issuer rating, in each case, by S&P, Moody's and/or any other ratings agency designated by the NSPSO from time to time.
1A.065	Publish	General	Make available to any person, as a minimum by posting on a readily accessible public access NSPI website.
1A.066	Re-dispatch	4, 5	An instruction by the NSPSO that a Dispatchable Generating Facility be operated at a level of output different than that scheduled by the Market Participant.
1A.067	Reliability	General	The degree of performance of a Zone, a Transmission System, the Bulk Electricity Supply System that results in electricity being delivered within accepted standards in an Adequate and secure manner and in the amount desired.
1A.068	Reliability Coordinator	3, 4	The NBSO in its role as electricity system reliability coordinator for the Maritime region.

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1A.068.1	<u>renewable low-impact electricity</u>	<u>General</u>	<u>This term has the same meaning as in the Renewable Electricity Regulations (Nova Scotia).</u>
1A.068.2	<u>Renewable to Retail</u>	<u>General</u>	<u>Describes the market in which renewable low-impact electricity generated in Nova Scotia may be sold by Licenced Retail Suppliers to Retail Customers in Nova Scotia in accordance with the Act.</u>
1A.068.3	<u>Retail Customer</u>	<u>General</u>	<u>This term has the same meaning as under the Act. For certainty, a customer of a Municipal Utility is not a Retail Customer.</u>
1A.068.4	<u>Retail Supplier</u>	<u>General</u>	<u>This term has the same meaning as under the Act.</u>
1A.068.5	<u>Retail Supplier Licence</u>	<u>General</u>	<u>A Retail Supplier licence issued by the Board in accordance with the Act and Regulations made thereunder which authorizes a person to sell renewable low-impact electricity generated within the Province.</u>
1A.069	Special Locational Loss Factor	2, 5	A reasonable estimate by the NSPSO of the “excess” of (a) the marginal energy loss in transmission of the output from incremental new generation to the general load pool, over (b) the system average energy loss in transmission as reflected in the Transmission Tariff in respect of Network Integration Service, expressed as a percentage. In the even that such marginal losses from incremental generation are less than the system average, then the “excess” will be a negative percentage value.
1A.070	Standards of Conduct	General	The NSPI Standards of Conduct approved by the Board and forming Attachment E to the Transmission Tariff.
1A.070.1	<u>Standard Small Generator Interconnection and Operating Agreement</u>	<u>2, 5</u>	<u>An agreement between NSPI and the owner of a Generating Facility defining the terms and technical requirements governing the connection of the Generating Facility to NSPI's Distribution System.</u>
1A.071	Suspend	1,2	Temporarily suspend all or some of a Market Participants rights under the Market Rules.

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1A.072	Synchronize	2, 4	Make the connection, typically by closing the relevant breaker, between a Facility and the Transmission System to permit the flow of energy or other services.  <i>Related definitions: Connect; De-synchronize.</i>
1A.073	System Impact Study	5 (para 5.5.1.2)	An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.
1A.074	System Reactive Power Capability	5	As defined in paragraph 5.5.1.3.
1A.075	Temporary Waiver	2	A temporary waiver of an obligation under the Market Rules granted by the NSPSO in accordance with section 2.5.
1A.076	Terminate	1, 2	Permanently terminate the rights of a Market Participant under a Participation Agreement.
1A.077	Transmission Customer	1, 2	A Market Participant who is a Transmission Customer as defined in section 1.0 of the Transmission Tariff.
1A.078	Transmission Loading Relief	4	A process described in NERC standard IRO-006-1.
1A.079	Transmission Provider		The NSPI Customer Operations division, including the NSPSO.
1A.080	Transmission Service Information Network	2	The Transmission Service Information Network operated by the North American Electricity Reliability Council.
1A.081	Transmission System	General	In accordance with the Transmission Tariff section 1.0 "The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff".
1A.082	Transmission Tariff	General	The NSPI Open Access Transmission Tariff approved by the Board.

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1A.083	Unbundled Service	General	Service to a Transmission Customer for Network Integration Service or Point to Point Service, separately from any provision of energy by NSPI PP.  <i>Related definitions: Bundled Service; Partially Unbundled Service</i>
1A.084	VAR	4	Volt-amps reactive.
1A.085	Wholesale <u>and Renewable to Retail</u> Market Advisory Committee	2	The committee established in accordance with section 2.3.
1A.086	Zone	2, 3	A part of the Bulk Electricity Supply System to which the NSPSO gives separate consideration in view of the fact that the level of Reliability may differ from the general level of Reliability of the system including as a result of transmission constraints.
<u>1A.087</u>	<u>Wholesale Customer</u>	<u>General</u>	<u>This term has the same meaning as under the Act.</u>

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## 2, Market Administration

### 2.0, Description

*This chapter sets out the rules relating to participation in the markets, including the rules setting out requirements for becoming a Market Participant. This chapter also sets out the rules governing the administration of the markets. These rules apply to the NSPSO and to Market Participants.*

### 2.1, Market Participation

#### 2.1.1, Qualifications to be a Market Participant

2.1.1.1, Any person eligible as described in paragraph 1.1.4.1 to be a Market Participant in either the wholesale or Renewable to Retail markets may apply to the NSPSO to become a Market Participant.

2.1.1.2, The NSPSO shall accredit such a person as a Market Participant in the applicable market if:

- a) the person agrees to be bound by the Market Rules by executing a Participation Agreement in the form set out in Appendix 2A;
- b) the NSPSO is reasonably satisfied that the person will satisfy credit support and technical requirements;
- c) the person provides its valid GST or HST registration number or evidence of exemption;
- d) the person is not ineligible by reason of forced Termination; and
- e) if the person is to be a Transmission Customer, the person provides evidence of Open Access Technology International accreditation.

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2.1.1.3, A person who expects to become eligible to be a Market Participant in either the wholesale or Renewable to Retail markets may apply to the NSPSO in advance of such eligibility, and the NSPSO shall accredit such a person who fulfils the requirements of paragraph 2.1.1.2 conditional on actual eligibility.



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## 2.1.2, Classes of Market Participants

2.1.2.1, An eligible person may be a Market Participant in one or more of the following classes:

- a) Generation Market Participant: A Generation Market Participant is a Market Participant in respect of
  - i) a Generating Facility connected to the Transmission System; or
  - ii) a Generating Facility connected to a Distribution System and registered with the NSPSO.
- b) Load Market Participant: A Load Market Participant is a Market Participant in respect of
  - i) a Load Facility connected to the Transmission System; or
  - ii) a Distribution System connected to the Transmission System.

c) Licenced Retail Supplier Market Participant: A Licenced Retail Supplier Market Participant is a Market Participant in respect of the aggregate of the Retail Customer load subscribed to the Licenced Retail Supplier.

d) Transmission Customer: A Transmission Customer is a Market Participant eligible to schedule transactions on the Transmission System. Generation Market Participants, Load Market Participants and Licenced Retail Supplier Market Participants must also be Transmission Customers if they are to schedule transactions on the Transmission System.

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## 2.1.3, Application to be a Market Participant

2.1.3.1, The NSPSO shall issue in a Market Procedure the forms and procedures to be used by any person to apply for accreditation as a Market Participant.

2.1.3.2, The NSPSO shall promptly review for completeness any application received, and shall advise the applicant of any omissions and any additional information required to complete the application.

2.1.3.3, The NSPSO shall review any complete application received, and shall within 15 Business Days of receipt of the complete application either:

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- a) advise the applicant that it is accredited subject to any outstanding execution of agreements or fulfilment of Prudential Support or other specific requirements,
- b) advise the applicant that it is accredited conditional on fulfilment of eligibility requirements and subject to any outstanding execution of agreements or fulfilment of Prudential Support or other specific requirements, or
- c) advise the applicant of rejection of its application and the grounds for such rejection.

2.1.3.4, Any applicant whose application is rejected may exercise any rights of appeal to the Board that are provided in Legislation and Regulations.

2.1.3.5, In the event that any such appeal has been successful, the NSPSO shall review or reconsider the relevant application in accordance with the order of the Board.

#### **2.1.4, Provision of credit support**

2.1.4.1, If, at the time of application for accreditation or at any time thereafter, the NSPSO expects that a Market Participant will owe money to the NSPSO in respect of settlement in addition to any amounts contemplated in the Transmission Tariff, the NSPSO may require evidence of credit rating or may require Prudential Support commensurate with the expected maximum net settlement amount.

2.1.4.2, If the NSPSO identifies the actual or probable need for Prudential Support, it shall determine the amount of such Prudential Support in accordance with a Market Procedure, which shall also set out the terms under which such Prudential Support is to be provided.

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2.1.4.3, If the NSPSO has required evidence of a certain credit rating or has determined in accordance with its Market Procedure a requirement for Prudential Support, and if the Market Participant has not provided the required evidence of credit rating or the required Prudential Support, the NSPSO may impose conditions

on the Market Participant's activity to limit the amount of the debt to the NSPSO that the Market Participant may accrue.

### **2.1.5, Continuing to be a Market Participant, and recognition of changes**

2.1.5.1, Every Market Participant shall promptly advise the NSPSO of any change in circumstances that might affect its continuing qualification to be a Market Participant, and of any change to the information provided in its application for accreditation as a Market Participant.

2.1.5.2, A Market Participant in one or more classes may apply to become a Market Participant in one or more other classes, and the NSPSO shall grant such application subject to fulfilment by the applicant of any changed accreditation requirements.

2.1.5.3, The NSPSO may impose conditions on a Market Participant's activity in accordance with sub-section 2.6.3 or if the Market Participant ceases to meet the qualifications to be a Market Participant.

### **2.1.6, Ceasing to be a Market Participant**

2.1.6.1, Any Market Participant that is not either a Generation Market Participant or a Load Market Participant, may at any time give notice to the NSPSO that it wishes to cease to be a Market Participant.

2.1.6.2, Any Generation Market Participant or Load Market Participant must Disconnect and de-register its registered Facilities in accordance with paragraphs 2.2.8.1 to 2.2.8.3, or must assign responsibilities for all its registered Facilities to another Market Participant in accordance with paragraphs 2.2.2.3 to 2.2.2.4, before it can cease to be a Market Participant.

2.1.6.3, The NSPSO may Terminate the market participation rights of any person in accordance with sub-section 2.6.3 below or if the Market Participant ceases to meet the qualifications to be a Market Participant.

2.1.6.4, Any person ceasing to be Market Participant, either on a voluntary basis or as a result of Termination, is not excused from any prior or outstanding obligations,

and shall continue to be bound by the Market Rules in respect of such obligations.

### **2.1.7, Nova Scotia Power Inc. (NSPI)**

2.1.7.1, NSPI Power Production division (“NSPI PP”) is deemed for the purposes of these Market Rules to be a Generation Market Participant, and a Transmission Customer (in respect of any exports it undertakes, and in respect of the use of the Transmission System for Bundled Service supply, which may include imports).

2.1.7.2, NSPI Customer Operations division is deemed for the purposes of these Market Rules to be a Load Market Participant (in respect of all Facilities at Points of Delivery for Bundled Service consumers).

2.1.7.3, NSPI Customer Service division performs certain functions on behalf of the NSPSO, but is not deemed to be a Market Participant.

## **2.2, Connected Facilities**

### **2.2.1, Facility registration**

#### **Facilities requiring to be registered**

2.2.1.1, All Generating Facilities and Load Facilities connected to the Transmission System, and all Distribution Systems, must be registered with the NSPSO prior to their first Synchronization in order to provide the NSPSO with all relevant information.

2.2.1.2, Any Generating Facility that is connected to either a Load Facility or Distribution System and that is to be subject to NSPSO scheduling or settlement, including in respect of Ancillary Service provision, must be registered with the NSPSO.

2.2.1.3, Any Generating Facility over 5 MW total capacity that is connected to a Load Facility or Distribution System must be registered with the NSPSO.

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### Requirements for registration

2.2.1.4, In order to be registered, a Facility must be, as applicable:

- a) owned and controlled by NSPI;
- b) receiving only Bundled Service from NSPI;
- c) for a Generating Facility connected to the Transmission System - the subject of a Generator Interconnection Agreement in accordance with the Transmission Tariff;
- d) for a Generating Facility connected to a Load Facility – the subject of a Network Operating Agreement with NSPI;
- e) for a Generating Facility connected to a Distribution System - the subject of a Distribution Interconnection Agreement with the distributor, and if the Distribution System is owned other than by NSPI, recognised in the Network Operating Agreement of the distributor; or
- f) for a Load Facility or Distribution System receiving service other than Bundled Service from NSPI - the subject of a Network Operating Agreement in accordance with the Transmission Tariff.

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2.2.1.5, The NSPSO may designate that individual units in a large generating station be registered as separate Generating Facilities.

2.2.1.6, The NSPSO may permit several Generating Facilities with the same or closely related connections to the Transmission System to be aggregated for the purposes of schedule submission, dispatch and settlement.

2.2.1.7, The NSPSO may permit the aggregation of closely located Load Facilities and Generating Facilities of the same Market Participant to the extent that this represents past practice before the coming into effect of these Market Rules.

2.2.1.8 The NSPSO may permit the aggregation of the Retail Customer load subscribed to an individual Licenced Retail Supplier.

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## Market Procedure

2.2.1.9. The NSPSO shall publish in a Market Procedure any registration requirements that are additional to those set out in the Generator Interconnection Agreement, Network Operating Agreements or other operating agreements in respect of Generating Facilities embedded in Load Facilities.

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### 2.2.2, Market Participant for a Facility

2.2.2.1, For every Generating Facility, Load Facility or Distribution System connected to the Transmission System or registered with the NSPSO, there must be one and only one Generation Market Participant or Load Market Participant.

2.2.2.2, The Market Participant for a Facility may be the owner or operator of the Facility or another person, and must demonstrate to the NSPSO that it has adequate control over relevant aspects of the Facility operation to be responsible to the NSPSO for its operation.

#### Assignment of full or partial Market Participant responsibility

2.2.2.3, Subject to the above requirements, subject to the agreement of both Market Participants, and subject to notice to the NSPSO, a Market Participant may assign responsibility for a Facility to another Market Participant.

2.2.2.4, The Load Market Participant for a Facility may subject to the agreement of the assignee and notice to the NSPSO assign complete or partial Transmission Customer responsibilities in respect of the Facility to a Transmission Customer Market Participant. Absent any such assignment, the Load Market Participant is also the Transmission Customer Market Participant for that Facility.

2.2.2.5, In the event of assignment of partial Transmission Customer responsibilities, the assigning Market Participant shall provide to the NSPSO reasonable evidence that the parties have agreed to the terms of such partial assignment of responsibilities, including agreement with respect to allocation of responsibility for settlement in respect of metering and in respect of settlement for metered demand, energy and reactive power quantities.

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### Appointment of an agent

2.2.2.6, Any Market Participant may appoint any person to act as its agent. Any Market Participant appointing an agent remains responsible for all actions of that agent.

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## 2.2.3, Classes of Facilities

2.2.3.1, A Facility may be either:

- a) a Generating Facility, which shall include any Facility that has net injection to the Transmission System in any hour of the year, as well as any Facility with a total generating capacity greater than 5 MW even if embedded in a Load Facility or in a Distribution System;
- b) a Load Facility, which shall include any Facility that is not primarily for the purpose of generating electricity;
- c) both of the above; or
- d) a Distribution System, including a municipally owned Distribution System that is only indirectly connected to the Transmission System.

## 2.2.4, Classes of Generating Facilities

### Dispatchable Generating Facilities

2.2.4.1, Every Generating Facility is a Dispatchable Generating Facility unless it has been classified by the NSPSO either as an Intermittent Generating Facility, as a Minor Generating Facility, as a Load Displacement Generating Facility or as a non-Dispatchable Export Generating Facility.

### Intermittent Generating Facilities

2.2.4.2, The Market Participant for a Generating Facility may at the time of its application for initial registration, and subject to the conditions set out below, apply for its registration as an Intermittent Generating Facility.

2.2.4.3, The NSPSO shall accede to such request and register the Generating Facility as an Intermittent Generating Facility if it is satisfied that the output of the

Generating Facility is determined by uncontrollable factors such as wind, uncontrolled river flows, etc.

2.2.4.4, For the sake of clarity, an Intermittent Generating Facility is a Generating Facility and subject to all applicable provisions of these Market rules except where explicitly excluded.

#### **Minor Generating Facilities**

2.2.4.5, The Market Participant for a Generating Facility may at the time of its application for initial registration or at any subsequent time apply for its registration of a Generating Facility with less than 10 MW total output as a Minor Generating Facility.

2.2.4.6, The NSPSO shall accede to such request and register the Generating Facility as a Minor Generating Facility if it is satisfied that, taking account of the location of the Generating Facility and its connection to the Transmission System, the Synchronization, De-synchronization and dispatch of the Generating Facility will not jeopardise the Reliability of the Bulk Electricity Supply System or any Zone thereof.

2.2.4.7, A Minor Generating Facility may subject to meeting the appropriate criteria also be an Intermittent Generating Facility.

2.2.4.8, For the sake of clarity, a Minor Generating Facility is a Generating Facility and subject to all applicable provisions of these Market rules except where explicitly excluded.

#### **Load Displacement Generating Facilities**

2.2.4.9, The Market Participant for a Generating Facility that is embedded within a Distribution System or Load Facility may at the time of its application for initial registration or at any subsequent time apply for its registration of such Generating Facility as a Load Displacement Generating Facility.

2.2.4.10, The NSPSO shall accede to such request and register the Generating Facility as a Load Displacement Generating Facility if it is satisfied that the operation of the Generating Facility is not expected under any normal operating conditions



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to result in a net injection into the Transmission System, and that the absence of facility-specific scheduling information will not jeopardise the Reliability of the Bulk Electricity Supply System or any Zone thereof.

2.2.4.11, A Load Displacement Generating Facility may subject to meeting the appropriate criteria also be a Minor Generating Facility or an Intermittent Generating Facility.

2.2.4.12, For the sake of clarity, a Load Displacement Generating Facility is a Generating Facility and subject to all applicable provisions of these Market rules except where explicitly excluded.

#### **Export Generating Facilities**

2.2.4.13, The Market Participant for a Generating Facility other than a Load Displacement Generating Facility may at the time of its application for initial registration, and subject to the conditions set out below, apply for its registration as an Export Generating Facility.

2.2.4.14, The NSPSO shall accede to such request and register the Generating Facility as an Export Generating Facility if it is satisfied that the Generating Facility is associated with a facility-contingent export contract and firm export transmission reservations for substantially the full capability of the Generating Facility.

2.2.4.15, The Market Participant for a Generating Facility other than a Load Displacement Generating Facility may at any time and subject to the conditions set out below, apply for its re-classification as an Export Generating Facility to take effect no less than 5 years from the date of such application.

2.2.4.16, The NSPSO shall accede to such request and re-classify the Generating Facility as an Export Generating Facility on such effective date if it is satisfied at least six months in advance of the effective date that the Generating Facility is associated with a facility-contingent export contract and firm export transmission reservations for substantially the full capability of the Generating Facility.

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2.2.4.17, The Market Participant for an Export Generating Facility may apply for revocation of its classification as an Export Generating Facility at any time, and the NSPSO shall effect such revocation.

2.2.4.18, For the sake of clarity, an Export Generating Facility is a Generating Facility and subject to all applicable provisions of these Market rules except where explicitly excluded.

2.2.4.19, In applying for registration or re-classification of a Generating Facility as an Export Generating Facility, and unless the Facility is an Intermittent Generating Facility or a Minor Generating Facility, the Market Participant shall specify if the Export Generating Facility is to be classified as a Non-dispatchable Generating Facility.

## **2.2.5, Coming into effect**

2.2.5.1, Facilities connected to the Transmission System prior to the effective date of these Market Rules shall except as noted in section 2.2.5.2 be deemed to be registered as follows.

- a) All Generating Facilities directly connected to the Transmission System shall be deemed to be registered by NSPI PP.
- b) All other Generating Facilities greater than 5 MW in capacity shall be deemed to be registered by NSPI PP.
- c) All other Facilities shall unless otherwise designated by the NSPSO be deemed to be registered by NSPI Customer Operations division as Minor Load Displacement Generators.
- d) The NSPSO may, following consultation with NSPI PP, designate Facilities as Intermittent Generating Facilities, as Minor Generating Facilities or as Load Displacement Generating Facilities.

2.2.5.2, Any Market Participant or applicant for accreditation may identify Facilities for which it will become the responsible Market Participant, and the NSPSO shall register such Facilities accordingly immediately on accreditation of that Market Participant.

## 2.2.6, Process for new or modified connections

2.2.6.1, No new Generating Facility may be Connected to the Transmission System except in accordance with the Standard Generation Interconnection Procedure, which forms exhibit 2 of the Transmission Tariff.

2.2.6.2, No existing Generating Facility Connected to the Transmission System may be significantly modified except in accordance with the Standard Generation Interconnection Procedure, which forms exhibit 2 of the Transmission Tariff. Significant modification shall include expansion or reduction of real or reactive power capability by more than the greater of 5% or 1 MW or 1 MVAR, changes to the excitation system, and changes to transmission-related protection systems.

2.2.6.3, No new or significantly modified Generating Facility may be connected to a Distribution System or Load Facility except in accordance with the Distribution Generator Interconnection Procedures and other requirements of the NSPSO as published in a Market Procedure setting out requirements for connection assessment of embedded Facilities.

2.2.6.4, In addition to assessments set out in the Generation Interconnection Procedure, the NSPSO shall assess a Special Locational Loss Factor applicable to any proposed new or significantly expanded Generating Facility as a basis for the application of a locational loss factor as set out in schedule 9 of the Transmission Tariff. This factor shall represent a reasonable estimate of the marginal loss on the incremental generation, averaged over the year, taking account of its location relative to existing generation, its location relative to the load pool, and its expected operating regime.

## 2.2.7, Continuing obligations

2.2.7.1, The Market Participant for a Facility shall ensure that the Facility continues to meet the standards set out for Connection.

2.2.7.2, The Market Participant for a Facility shall promptly report to the NSPSO any change in the information that has been provided to the NSPSO for Facility registration.

## 2.2.8, Disconnection

### Voluntary Disconnection

- 2.2.8.1, The Market Participant for a Facility may apply to the NSPSO for permission to Disconnect a Facility from the Transmission System.
- 2.2.8.2, The NSPSO shall promptly review any such application, and shall grant permission unless the Disconnection would jeopardise the Reliability of the Bulk Electricity Supply System or any Zone thereof.
- 2.2.8.3, In any case where Disconnection would jeopardise Reliability, the Market Participant and the NSPSO shall negotiate in good faith for the ongoing provision by the Facility of services necessary to maintain Reliability of the Bulk Electricity Supply System or any relevant Zone thereof until the NSPSO can reasonably secure an alternative means to maintain Reliability.

### NSPSO-directed Disconnection

- 2.2.8.4, The NSPSO may direct the Disconnection of a Facility from the Transmission System or the Distribution System on an immediate basis if the NSPSO considers that its continued Connection immediately jeopardises Reliability of the Bulk Electricity Supply System or any Zone thereof.
- 2.2.8.5, The NSPSO may direct the Disconnection of a Facility from the Transmission System as a compliance action as described in section 2.6 below.
- 2.2.8.6, In any event of directed Disconnection, the Facility shall remain Disconnected from the Transmission System until the NSPSO is satisfied with the corrective action, and permits re-Connection.

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**2.3, Wholesale and Renewable to Retail Market Advisory Committee**

**2.3.1, Appointment of a Wholesale and Renewable to Retail Market Advisory Committee**

2.3.1.1, The NSPSO shall establish a Wholesale and Renewable to Retail Market Advisory Committee ("Advisory Committee"), for the purpose of securing advice on matters relating to the Nova Scotia wholesale and Renewable to Retail electricity market, as detailed in Appendix 2C.

2.3.1.2, The NSPSO shall appoint persons to the Advisory Committee in accordance with the terms of reference set out in Appendix 2C.

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2.3.1.3, The NSPSO may require any person appointed to the Advisory Committee to confirm agreement with the terms of reference set out in Appendix 2C.

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**2.3.2, Meetings and support**

2.3.2.1, The NSPSO shall arrange meetings of the Advisory Committee:

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a) at least once in every calendar quarter unless waived by unanimous agreement of all members of the Advisory Committee; and

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b) additionally as required for the conduct of the business of the Advisory Committee.

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2.3.2.2, The NSPSO shall provide the following support for the activities of the Advisory Committee as may be required from time to time for the due performance by the Advisory Committee of its functions:

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a) administrative services, including the use of the NSPSO's support personnel where required;

b) facilities for meetings of the Advisory Committee;

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c) relevant information held by the NSPSO and analytical support, but not including Confidential Information.

2.3.2.3, The NSPSO shall Publish notice of the agenda for and minutes of meetings held by the ~~Advisory Committee~~ and the recommendations and reports of the ~~Advisory Committee~~. Such Publication shall be effected from time to time as required to provide timely notice of developments.

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**2.3.3, Conduct of business**

2.3.3.1, Subject to the provisions of this section 2.3 and of Appendix 2C, the ~~Advisory Committee~~ may establish, and may from time to time amend, the procedures and processes in accordance with which it will perform its functions. These procedures and processes, and any amendments thereto, shall be Published by the NSPSO.

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2.3.3.2, The ~~Advisory Committee~~ may consult with Market Participants and other interested persons in such manner and at such times at it considers appropriate for the due performance of its functions.

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2.3.3.3, Subject to paragraph 2.3.3.4, the ~~Advisory Committee~~ may establish subcommittees or working groups comprised of such persons, including members of the ~~Advisory Committee~~, as the ~~Advisory Committee~~ considers appropriate for the due performance of its functions.

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2.3.3.4, Notwithstanding the establishment of a subcommittee or working group under paragraph 2.3.3.3, any recommendation respecting an amendment to the Market Rules or the review of a Market Procedure or of an Amendment to a Market Procedure shall be made by the ~~Advisory Committee~~ itself.

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**2.3.4, Confidentiality**

2.3.4.1, Members of the ~~Advisory Committee~~ shall enter into such confidentiality agreement as may be required by the NSPSO. The NSPSO may, on an exceptional basis, disclose Confidential Information to the ~~Advisory Committee~~ where such disclosure is necessary for the due performance by the ~~Advisory Committee~~ of its functions, it being understood that in most instances the disclosure of Confidential Information will not be required for this purpose.

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## 2.4, Administration of the Market Manual

### 2.4.1, General responsibility and authority

2.4.1.1, The NSPSO is responsible for maintaining and Publishing all components of the Market Manual, comprising Market Rules, standards, codes, Market Procedures and related documents.

2.4.1.2, The powers and responsibilities of the NSPSO as set out in this section are all subject to the authority retained by the Government of Nova Scotia in respect of, or associated with, changes in eligibility for participation in the markets.

### 2.4.2, Market Rules

2.4.2.1, Subject to paragraph 2.4.1.2, the NSPSO may amend the Market Rules in accordance with the process established under this sub-section 2.4.2, and subject to the jurisdiction of the Board which is described in sub-section 2.4.4.

2.4.2.2, The process for amending Market Rules shall:

- a) permit any person including the NSPSO to propose and request consideration of an amendment;
- b) provide evaluation of all proposed amendments in accordance with explicit criteria which reflect the object of the markets as set out in sub-section 1.1.2;
- c) require the NSPSO to designate any proposed amendment as urgent if so directed by the Board in accordance with paragraph 2.4.4.3;
- d) permit the NSPSO to designate any proposed amendment as urgent if, in the time taken to amend the Market Rules by the normal process and in the absence of an urgent rule amendment, either:
  - i) the Market Rules are in conflict with safety,
  - ii) there is a material threat to the Reliability of the Bulk Electricity Supply System or an Zone thereof that would be addressed by the urgent rule amendment, or

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- iii) there is a material threat to the integrity of the markets that would be addressed by the urgent rule amendment;
- e) include prompt Publication of all amendment proposals, together with e-mail notification of such Publication to persons requesting such notification;
- f) include stakeholder consultations prior to the making of any amendment except an urgent amendment;
- i) stakeholder consultation shall include the opportunity for Advisory Committee and other stakeholder comment on any non-urgent amendment,
- ii) stakeholder consultation shall also include the opportunity for active Advisory Committee discussion of any material non-urgent amendment;
- g) include prompt Publication of stakeholder comments and of a record of Advisory Committee discussion, subject to the redaction of any information considered by the NSPSO to be Confidential;
- h) include the Publication of the NSPSO decision with supporting discussion of issues considered, opinions considered, and reasons for the conclusions reached, in respect of all proposed amendments;
- i) require Publication of amendments at least 30 days before they come into effect, except for urgent amendments which may come into effect immediately on Publication;
- j) permit accelerated Advisory Committee or stakeholder consultations prior to making any urgent rule amendment, and irrespective of any such accelerated stakeholder consultations, require stakeholder consultations including Advisory Committee discussions promptly to follow the coming into effect of any urgent amendment; and
- k) require that NSPSO confirm or revise any urgent amendment following the stakeholder consultations which must take place following an urgent

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amendment; such confirmation or revision shall be subject to the same requirements for Publication and notice as apply to non-urgent amendments.

2.4.2.3, The NSPSO shall publish a Market Procedure describing its procedure for initiating, evaluating, stakeholding, and making amendments to the Market Rules. This procedure shall:

- a) reflect the process defined in paragraph 2.4.2.2;
- b) include details for submission of proposed amendments, comments, etc; and
- c) the NSPSO shall include reference to the process by which a person may appeal to the Board in respect of any Market Rule amendment.

### **2.4.3, Standards, codes and Market Procedures**

2.4.3.1, The NSPSO may establish or adopt and may amend standards, codes and Market Procedures defining technical requirements, detailed calculations, and processes contemplated by these Market Rules.

2.4.3.2, Subject to paragraph 2.4.3.3 the process for establishing or adopting and for amending standards, codes and Market Procedures (collectively identified in this paragraph as changes) shall:

- a) permit any person including the NSPSO to propose and request consideration of a change;
- b) provide for evaluation of all such proposals in accordance with the objects of the market~~s~~ and the provisions of the Market Rules;
- c) recognise the authority of the Board;
- d) permit the NSPSO to designate any proposed change as urgent if it is required for the implementation of an urgent Market Rule amendment or if in the time taken to effect the change by the normal process and in the absence of an urgent change, either:

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- i) the relevant standard, code or Market Procedure is in conflict with safety,
  - ii) there is a material threat to the reliability of the system that would be addressed by the urgent change, or
  - iii) there is a material threat to the integrity of the market~~s~~ that would be addressed by the urgent change;
- e) include prompt publication of all proposals for changes, together with e-mail notification of such publication to persons requesting such notification;
- f) include stakeholder consultations prior to the making of all changes except urgent changes, where;
- i) stakeholder consultation shall include the opportunity for ~~Advisory~~ Committee and other stakeholder comment on all non-urgent changes, and
  - ii) stakeholder consultation may also include the opportunity for active ~~Advisory Committee discussion of those non-urgent changes~~ considered to have particular materiality to all or some ~~Market~~ ~~Participants~~;
- g) require Publication of changes sufficiently in advance of their effective date to permit Market Participants to modify their systems and processes accordingly;
- h) require stakeholder consultation including ~~Advisory Committee discussion~~ promptly to follow the coming into effect of any urgent change; and
- i) permit the NSPSO to confirm or revise any urgent change following such stakeholder consultations.

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2.4.3.3, The provisions of paragraph 2.4.3.2 are not applicable to the establishment or adoption of standards, codes and Market Procedures made before 1 month after the coming into effect of the Market Rules.

2.4.3.4, Each standard, code and Market Procedure shall indicate the NSPSO contact person responsible for the administration of that document.

#### **2.4.4, Board intervention**

2.4.4.1, In recognition of the Board's authority, the coming into effect of

- a) any non-urgent Market Rule amendment,
- b) any non-urgent establishment, adoption or amendment of a standard, code or Market Procedure,
- c) any revision of an urgent Market Rule amendment, or
- d) any revision of an urgently established, adopted or amended standard, code or Market Procedure,

shall immediately be stayed by the NSPSO if so ordered by the Board on its own motion or as a result of a person's appeal to the Board.

2.4.4.2, The NSPSO shall reconsider or cancel any Market Rule amendment or standard, code or Market Procedure or amendment thereto if so ordered by the Board on its own motion or as a result of a person's appeal to the Board.

2.4.4.3, The NSPSO shall amend any Market Rule or standard, code or Market Procedure if so ordered by the Board as a result of a conflict with either the provisions of the Legislation and Regulations, the reliable operation of the transmission system, or the provisions of a tariff approved by the Board.

2.4.4.4, The NSPSO shall include in the Market Procedure described in paragraph 2.4.2.3 a reference to the process by which a person may appeal to the Board in respect of any Market Rule amendment.

### **2.5, Temporary Waiver of Market Rules obligations**

#### **2.5.1, Granting of a Temporary Waiver**

2.5.1.1, The NSPSO may grant a Temporary Waiver of a Market Rule to itself, or to a single Market Participant or a group of Market Participants if the NSPSO

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considers that the particular application of the Market Rule is inconsistent with the object of the markets.

2.5.1.2, Such a Temporary Waiver may be granted in respect of a single Facility or a group of Facilities.

2.5.1.3, The NSPSO may in granting a Temporary Waiver impose conditions, the breach of which would render the Temporary Waiver cancelled.

2.5.1.4, Such a Temporary Waiver may be granted for any period up to 12 months.

2.5.1.5, A Market Participant may apply for extension of a Temporary Waiver up to a total including the original period of 24 months in order to allow time to implement a specific remedy.

2.5.1.6, There shall otherwise be no provision for renewal or extension of a Temporary Waiver.

## **2.5.2, Publication of a Temporary Waiver**

2.5.2.1, The NSPSO shall publish details of any Temporary Waiver, including the reason for its decision to grant such a Temporary Waiver.

## **2.5.3, Appeal of Temporary Waiver**

2.5.3.1, Any Market Participant may appeal to the NSPSO for review of any Temporary Waiver.

2.5.3.2, On receipt of such appeal, the NSPSO shall advise the Market Participant(s) granted the Temporary Waiver and shall provide an opportunity for that Market Participant(s) to provide additional information in response to the appeal.

2.5.3.3, The NSPSO shall then promptly review the Temporary Waiver, taking account of information provided by the appellate and by the Market Participant(s) granted the Temporary Waiver, and shall Publish its decision.

2.5.3.4, These Market Rules do not affect the rights of any Market Participant not satisfied by such review to appeal the Temporary Waiver to the Board.

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2.5.3.5, These Market Rules do not affect the rights of any Market Participant to appeal directly to the Board in respect of a Temporary Waiver granted to the NSPSO, without the need for prior review by the NSPSO.

2.5.3.6, The NSPSO shall implement any order of the Board acting either on its own motion or as a result of a person's appeal to the Board, with respect to a Temporary Waiver.

#### **2.5.4, Interaction with Market Rule amendments, tariffs, and Board orders**

2.5.4.1, The NSPSO or a Market Participant may in accordance with subsection 2.4 propose an amendment to the Market Rules or any standard, code or Market Procedure invoked by the Market Rules for the purposes of making permanent, or making general, any Temporary Waiver.

2.5.4.2, The NSPSO's power to grant a Temporary Waiver shall not be used in conflict with any recent amendment to the Market Rules except where the particular impact of the amendment was unforeseen with respect to the matter of the Temporary Waiver.

2.5.4.3, The NSPSO's power to grant a Temporary Waiver shall not extend to provisions of any tariff approved by the Board or any order of the Board.

#### **2.5.5, Market Procedure**

2.5.5.1, The NSPSO may issue a Market Procedure governing the application process and other processes in respect of Temporary Waivers.

### **2.6, Compliance, and remedies for non-compliance**

#### **2.6.1, Compliance obligations**

2.6.1.1, The NSPSO and each Market Participant is responsible to comply with these Market Rules at all times, and to maintain the management and systems to achieve such compliance.

## **2.6.2, Notice of inability to comply**

2.6.2.1, In the event that the NSPSO identifies that it has failed to comply with a Market Rule, or will be unable to comply with a Market Rule, it shall promptly notify every affected Market Participant.

2.6.2.2, In the event that a Market Participant identifies that it has failed to comply with a Market Rule, or will be unable to comply with a Market Rule, it shall Promptly notify the NSPSO.

## **2.6.3, Graduated compliance actions**

2.6.3.1, In the event that the NSPSO identifies that a Market Participant may have failed to comply with a Market Rule the NSPSO may communicate informally with the Market Participant to seek clarification of the circumstance.

2.6.3.2, Unless any such informal clarification indicates that there was no non-compliance, the NSPSO shall give notice of any alleged non-compliance to the Market Participant.

2.6.3.3, The NSPSO shall provide reasonable opportunity for the Market Participant to provide clarification of its actions and, if appropriate, any steps proposed to prevent recurrence.

2.6.3.4, In the event that the NSPSO then determines that there has been an event of non-compliance, the NSPSO shall give notice to the Market Participant of the non-compliance. Such notice shall include details of any actions being taken under any of paragraph 2.6.3.4 to 2.6.3.6.

2.6.3.5, In the event of a financial default by a Market Participant, the NSPSO may also require additional credit support, failing which the NSPSO may impose conditions on or may Suspend all or some of the Market Participant's activity.

2.6.3.6, In the event of either repeated non-compliance, or of major non-compliance that has jeopardised the Reliability of the Bulk Electricity Supply System or the integrity of the markets, the NSPSO may impose conditions on or may Suspend all or some of the Market Participant's activity, and may also direct that one or

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more Facilities involved in the non-compliance be Disconnected from the Transmission System.

2.6.3.7, In addition to the remedies set out in paragraph 2.6.3.6, the NSPSO may assess and impose a financial penalty in accordance with guidelines set out in Appendix 2.B of these Market Rules.

2.6.3.8, In the event that a Market Participant demonstrates material disregard of its obligations by repeated financial defaults or major non-compliances, the NSPSO may Terminate the market participation rights of that Market Participant.

2.6.3.9, Suspension or Termination shall only come into effect following notice by the NSPSO to the Market Participant, and a reasonable opportunity for the Market Participant to be heard by the NSPSO all as provided for in a Market Procedure which will have due regard for terms of the Transmission Tariff.

2.6.3.10, In the event of Disconnection, the NSPSO shall provide notice and an opportunity to be heard but, if the NSPSO considers that delay in effect of Disconnection would jeopardise Reliability of the Bulk Electricity Supply System or a Zone thereof, the Disconnection shall, in accordance with the powers of the Transmission Provider under the Transmission Tariff and related agreements, have immediate effect pending such hearing.

2.6.3.11, In the event of direction from the Board following appeal by a Market Participant, the NSPSO shall grant such temporary relief or modify financial penalties, Suspension, Termination or Disconnection as directed by the Board.

## 2.7, Market Monitoring

### 2.7.1, Market monitoring responsibilities

2.7.1.1, The NSPSO shall collect, maintain and analyse data necessary for monitoring the operation of the markets.

2.7.1.2, The NSPSO shall provide to the Board the data and analysis directed by the Board for purposes of the Board's market surveillance.

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2.7.1.3, The NSPSO shall perform or assist in any investigations directed by the Board.

2.7.1.4, The NSPSO is under no obligation to disclose to a Market Participant the existence of any analysis or any Board-directed investigation it is undertaking.

2.7.1.5, In the event that the Board directs the NSPSO to provide data held by a Market Participant and not by the NSPSO, the NSPSO shall direct the relevant Market Participant to provide the data direct to the Board.

2.7.1.6, The NSPSO may in the course of its operations identify concerns, anomalies or apparent abuses of the markets, in which case it shall report these to the Board for its consideration and any action.

## **2.7.2, Market Participant obligations**

2.7.2.1, In then event that the NSPSO directs the provision of additional information to the Board for purposes of the Board's market surveillance, the Market Participant shall Promptly provide such information direct to the Board, in the form specified by the Board.

2.7.2.2, The Market Participant may identify information as confidential.

2.7.2.3, In the event of any dispute about the need for certain information, the Market Participant may seek to resolve this directly with the Board.

## **2.8, Disputes**

### **2.8.1, Correction of errors**

2.8.1.1, Any Market Participant or the NSPSO shall, promptly on identifying any apparent error, notify other impacted parties to seek correction.

### **2.8.2, Dispute resolution procedures**

2.8.2.1, Except as otherwise provided in respect of metering disputes, any disputes under the Market Rules shall be subject to the dispute resolution procedures set out in the Transmission Tariff. In particular:



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- a) internal dispute resolution, Transmission Tariff section 12.1;
- b) external arbitration resolution, Transmission Tariff section 12.2;
- c) arbitration decisions, Transmission Tariff section 12.3;
- d) costs, Transmission Tariff section 12.4; and
- e) rights under the *Public Utilities Act*, Transmission Tariff section 12.5.

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## 2.9, Confidential Information and Market Information

### 2.9.1, General confidentiality requirements

2.9.1.1, Each Market Participant and the NSPSO shall keep confidential all Confidential Information that it receives, and shall establish procedures that will protect the confidentiality of such Confidential Information and prevent its distribution other than to those individuals requiring access to such information in the fulfilment of their responsibilities.

2.9.1.2, The NSPSO's procedures shall comply with the requirements of the Standards of Conduct attached to the Transmission Tariff.

2.9.1.3, Except as permitted under paragraph 2.9.2.2, any Market Participant or the NSPSO that is required by law to disclose Confidential Information to a third party shall, before making such disclosure, notify the originator of the Confidential Information and, to the extent permitted by such law, provide an opportunity for the originator to intervene to stop or limit such disclosure.

2.9.1.4, These general confidentiality requirements are supplemented in respect of Connected Generating Facilities by the specific requirements of the Generator Interconnection Agreement.

### 2.9.2, Provision of data to the Board

2.9.2.1, The NSPSO shall file with the Board all Market Rules, all Market Procedures, standards and codes given force by the Market Rules, and all amendments thereof.

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2.9.2.2, The NSPSO may, without notice to any Market Participant, provide to the Board any Confidential Information directed by the Board to be provided for purposes of market surveillance or investigation.

### **2.9.3, Accidental disclosure**

2.9.3.1, In the event that any Market Participant or the NSPSO accidentally discloses Confidential Information to another party (including to its unauthorised employees), it shall immediately notify the originator of the Confidential Information and shall collaborate in limiting and mitigating the impact of such accidental disclosure.

2.9.3.2, If the party making accidental disclosure is the NSPSO or any division of NSPI, then actions shall be governed by the Standards of Conduct attached to the Transmission Tariff.

### **2.9.4, Publication**

2.9.4.1, The NSPSO shall Publish certain market information. This shall include information identified for Publication in these market rules, and may include additional reports, notices and aggregated market information as the NSPSO considers appropriate.

2.9.4.2, Such Publication shall be prompt, taking into account the nature of the information to be Published.

### **2.9.5, Market information**

2.9.5.1, Confidential Information in respect of market administration generally includes:

- a) credit support requirements and fulfillment thereof;
- b) compliance actions other than those listed in paragraph 2.9.5.2; and
- c) details of dispute resolution, other than those listed in paragraph 2.9.5.2.

2.9.5.2, The NSPSO shall Publish information in respect of market administration including:

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- a) Market Participant list including for each the classes of participation, and addresses for business contacts and the service of notice;
- b) Temporary Waivers;
- c) compliance actions comprising one or more of:
  - i) imposing conditions on, or suspending or limiting, market participation by a Market Participant,
  - ii) imposing a financial penalty,
  - iii) Disconnecting a Facility, and
  - iv) Terminating market participation rights of a Market Participant;
- d) the existence of external dispute resolution process and identities of the parties; and
- e) the outcome of external dispute resolution including identities of the parties, the matter of the dispute and the outcome.

Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules, Appendix 2C, Terms of Reference

## Appendix 2C

### Wholesale and Renewable to Retail Market Advisory Committee

#### Terms of Reference

##### 2C.1 Purpose and scope of Advisory Committee

2C.1.1, The Advisory Committee is established to provide advice to the NSPSO in matters concerning the Nova Scotia wholesale and Renewable to Retail electricity markets, and in particular:

- a) The Advisory Committee will be the primary but not exclusive forum for:
  - i) active consultation with stakeholders on proposed amendments to Market Rules, as required in paragraph 2.4.2.2 (f) and as required following an urgent amendment in paragraph 2.4.2.2 (j);
  - ii) any accelerated consultation with stakeholders on proposed amendments to Market Rules, as permitted in respect of urgent Market Rule amendments in paragraph 2.4.2.2 (j);
  - iii) any active consultation with stakeholders on proposed establishment, adoption or amendment to standards, codes or Market Procedures, as permitted in paragraph 2.4.3.2 (e) and paragraph 2.4.3.2 (g), and on the electronic interface systems used by Market Participants;
  - iv) any active consultation with stakeholders on other wholesale and Renewable to Retail electricity market issues identified by the NSPSO or introduced by committee members or other stakeholders.
- b) The Advisory Committee will at the discretion of the NSPSO provide an opportunity for discussion of matters relating to the implementation of the Transmission Tariff or of possible changes to the Transmission Tariff that are under consideration by the NSPSO in preparation for application to the Board.

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2C.1.2, The Advisory Committee is excluded from consideration of individual participant transactions with the NSPSO except to the extent that such consideration is a necessary and appropriate illustration in the context of paragraph 2C 1.1.

2C.1.3, The Advisory Committee is excluded from consideration of matters of Government or Board jurisdiction except to the extent that the Government or the Board requests consideration by the Advisory Committee of a particular matter.

**2C.2 Membership**

2C.2.1, Membership of the Advisory Committee shall comprise

- a) one representative of the NSPSO who shall be chair;
- b) one representative of NSPI PP;
- c) one representative of NSPI Customer Service;
- d) one representative of independent generators;
- e) one representative of those eligible to be Market Participants as wholesale loads; and
- f) one representative of those otherwise eligible to be Transmission Customers.

2C.2.2, The Nova Scotia Department of Energy ("Department of Energy") and the Board may each appoint an observer to the Advisory Committee.

2C.2.3, Each member and observer may have one alternate who may attend and participate in any meeting in place of the member or observer.

2C.2.4, The members appointed under sub-paragraphs 2C.2.1 (a), (b) and (c) may be referred to as the NSPI members.

2C.2.5, The members appointed under sub-paragraphs 2C.2.1 (d), (e) and (f) may be referred to as the independent members.

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**2C.3 Appointment and term**

2C.3.1, The NSPSO shall nominate and appoint its representative and any alternate.

2C.3.2, The NSPSO shall appoint a representative of each of NSPI PP and NSPI Customer Service as nominated by each of those NSPI divisions, and any alternates similarly nominated.

2C.3.3, The NSPSO shall appoint a member representing each other group in accordance with nomination by the Department of Energy, and any alternate similarly nominated.

2C.3.4, In the event that the Department of Energy makes no nomination of a member, an alternate, or both, that position shall remain vacant until such time as the Department of Energy makes such nomination.

2C.3.5, Subject to paragraphs 2C.3.6 to 2C.3.11, each member of the ~~Advisory~~ Committee and each alternate shall be appointed for a term of 3 years and shall be eligible for reappointment for one or more additional terms of no more than three years each. In no event shall a member of the ~~Advisory Committee~~ or alternate, other than the representative of the NSPSO, be eligible for reappointment for any period that would result in the person holding office:

- a) as member for a period of more than 7 years
- b) as alternate for a period of more than 7 years
- c) as member and alternate combined for a period of more than 10 years

2C.3.6, The term of a member of ~~Advisory Committee~~ or ~~alternate~~ appointed to replace a member or alternate whose term had not yet expired shall be the unexpired term of the predecessor member or alternate.

2C.3.7, The term of a member of the ~~Advisory Committee~~ or alternate appointed under paragraph 2C.3.4 after the commencement of the intended term shall be the unexpired portion of the intended term.

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2C.3.8, In order that the terms of appointment be staggered, the initial terms of appointment of each initial member of the ~~Advisory Committee~~ and their alternates shall be as follows:

- a) for each member and alternate appointed in accordance with subparagraphs 2C.2.1 (a), (b ) and (e), 3 years; and
- b) for each member and alternate appointed in accordance with subparagraphs 2C.2.1 (c), (d) and (f), 18 months.

2C.3.9, A member of the ~~Advisory Committee~~ or alternate ceases to hold office when he or she:

- a) dies;
- b) resigns;
- c) for each NSPI member and alternate, when he or she cease to be employed or engaged by the NSPSO or relevant division of NSPSI; or
- d) is removed in accordance with section 2C.3.9.

2C.3.10, An independent member or alternate whose employment or other circumstances changes shall promptly

- a) notify the ~~Advisory Committee~~;
- b) notify the Department of Energy;
- c) provide to the Department of Energy information that will enable the Department of Energy to determine whether the member or alternate can continue adequately to represent the interests for which he or she was appointed; and
- d) unless the Department of Energy confirms that it considers that the member or alternate can continue adequately to represent the interests for which he or she was appointed, resign from the appointment to the ~~Advisory Committee~~.

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2C.3.11, The NSPSO may remove any member of the Advisory Committee or alternate from office:

- a) for cause, including a breach of fiduciary duty or confidentiality; or
- b) where the person ceases to be qualified in accordance with sub-section 2C.4.

2C.3.12, In the event of any actual or forthcoming vacancy on the Advisory Committee, the NSPSO shall notify the NSPI division responsible or the Department of Energy as appropriate in order to secure the nomination of a replacement member or alternate.

2C.3.13, In the event of vacancy of a membership of the Advisory Committee, the alternate for that position shall act as member pending the appointment of a replacement member. Unless precluded by paragraph 2C.3.4, the alternate shall be eligible for nomination as the replacement member.

**2C.4 Qualifications of members and alternates**

2C.4.1, Each member and alternate is expected to:

- a) understand the business of, and be capable or representing the interests of, the organisation or group that he or she is appointed to represent;
- b) develop an understanding of the operation of the wholesale and Renewable to Retail electricity markets, with an appreciation of the technical considerations that underlie the operation of the Bulk Electricity Supply System;
- c) commit the time and effort necessary to participate fully as a member, or sufficiently as an alternate; and
- d) be free of material conflicts of interest that would preclude or limit full participation and representation.

2C.4.2, The following persons are not qualified for appointment to the Advisory Committee, either as member or alternate:

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- a) any person less than 18 years of age;
- b) any person of unsound mind, having been so found by a court in Canada or elsewhere;
- c) any person who is not an individual;
- d) any person who has the status of a bankrupt;
- e) any person who is an employee of the Government of Nova Scotia, and
- f) any person who is disqualified by section 2C.4.3.

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2C.4.3 A person shall not be appointed to the Advisory Committee as an independent member or alternate if the person is a director, officer, employee or other representative of a person who has, or whose Affiliate has, a director, officer, employee or other representative who is a member of the Advisory Committee or alternate, except that this provision shall not apply in respect of a member and alternate representing the same group.

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**2C.5 Procedures and processes**

2C.5.1, In accordance with paragraph 2.3.3.1, the Advisory Committee may establish, and may from time to time amend, the procedures and processes in accordance with which it will perform its functions.

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2C.5.2, The Advisory Committee shall give due regard to the reasonable needs of its members with respect to notice of meetings, as well as to the occasional need for expedited meetings to address issues in a timely manner.

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2C.5.3, The adoption of procedures and processes requires the consent of the majority of the committee, including at least half of the independent members (or if appropriate their alternates).

2C.5.4, The Advisory Committee shall recognise the advisory nature of the committee's purpose and scope, and shall therefore provide for the recording and reporting of dissenting views as well as of consensual conclusions.

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**2C.6 Meetings**

2C.6.1, Meetings shall take place in Halifax, in facilities to be provided by the NSPSO.

2C.6.2, Meetings will normally be held in private, with administrative support provided by the NSPSO and with the support and assistance of experts as necessary. The chair may determine that all or part of a meeting should be open to wider observation or wider participation within the context of broader stakeholdering of an issue.

2C.6.3, The business of meetings is generally not confidential, but the chair may identify material confidentiality relating to certain issues or information, in which case all members and other attendees shall be bound by such confidentiality.

2C.6.4, Members of the ~~Advisory Committee~~ are expected to make all reasonable efforts to participate in all meetings but, if they are unable to participate, may be represented by their alternates.

2C.6.5, Department of Energy and Board observers shall be invited to observe meetings, and may at the discretion of the chair be invited to make comment on matters under discussion.

2C.6.6, Meeting notices, agendas, preparatory materials, presentation materials and minutes will be made public subject to redaction in the unusual event of confidentiality requirements.

2C.6.7, The committee will establish its own processes to govern issues such as telephone participation, non-member presentations, declaration of conflicts, etc.

**2C.7 Remuneration and expenses**

2C.7.1, There is no remuneration for membership or participation in the ~~Advisory Committee~~.

2C.7.2, Each member and alternate is responsible for his or her own expenses arising from membership and participation.

2C.7.3, These provisions do not limit members' or alternates' arrangements with their employers or the groups they represent.

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## **3, Reliability Planning Requirements**

### **3.0, Description**

*This chapter sets out the reliability-related obligations of all parties in the planning timeframe. These rules apply to the NSPSO, to NSPI transmission, and to Market Participants who are responsible for Facilities registered in the market, and to Connection Applicants.*

### **3.1, Reliability planning responsibilities**

#### **3.1.1, NSPSO responsibilities**

3.1.1.1, The NSPSO is responsible within NSPI for directing the Reliable operation of the Bulk Electricity Supply System in Nova Scotia in fulfillment of NSPI's obligations under:

- a) the Legislation and Regulations;
- b) orders of the Board, including in respect of General Reliability Standards, (including policies and codes) prescribed by such orders;
- c) except as superseded by order of the Board, NSPI's membership agreement in NPCC, the General Reliability Standards, (including policies and codes) associated therewith: and
- d) NSPI's interconnection agreement with the New Brunswick System Operator (NBSO), including in particular those obligations arising in support of the NBSO's function as Reliability Coordinator for the interconnected system in the Maritime region.

3.1.1.2, The NSPSO is responsible for:

- a) fulfillment of its obligations under the Market Rules;
- b) identification of any amendments to Market Rules or changes in standards, codes and Market Procedures required to reflect changes in

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General Reliability Standards, (including policies and codes), and the Maritime region requirements; and

- c) general planning and coordination for the Reliability of the Bulk Electricity Supply System.

### 3.1.2, Other NSPI division responsibilities

3.1.2.1, NSPI PP, NSPI Customer Operations and NSPI Customer Service divisions are responsible within NSPI for their respective obligations arising from:

- a) the Legislation and Regulations;
- b) orders of the Board, including in respect of general reliability standards, (including policies and codes) prescribed by such orders;
- c) except as superseded by order of the Board, NSPI's membership agreement in NPCC, and the General Reliability Standards, (including policies and codes) associated therewith;
- d) NSPI's interconnection agreement with the NBSO,
- e) the Market Rules.

### 3.1.3, Other Market Participant responsibilities

3.1.3.1, Other Market Participants are responsible for their compliance with:

- a) the Market Rules;
- b) orders of the Board, including in respect of General Reliability Standards, (including policies and codes) prescribed by such orders; and
- c) except as superseded by order of the Board, the General Reliability Standards, (including policies and codes) established by NERC and NPCC.

## 3.2, Technical Standards

### 3.2.1, General Reliability Standards

3.2.1.1, General Reliability Standards are those established by NERC, NPCC or by order of the Board, and include all associated policies and codes.

### 3.2.2, Specific standards

3.2.2.1, The NSPSO may establish technical standards under its authority in section 1.5.

3.2.2.2, Such standards may address the application of General Reliability Standards in Nova Scotia, or may address other matters pertaining to the operation of the Bulk Electricity Supply System or of the wholesale and Renewable to Retail electricity markets.

3.2.2.3, The NSPSO may amend such technical standards in accordance with the process described in section 2.4.

3.2.2.4, No such technical standard or amendment shall be in conflict with the General Reliability Standards.

3.2.2.5, The NSPSO shall Publish all such technical standards, and shall Publish a list of such standards including the latest revision date of each.

3.2.2.6, Market Participants are responsible for the compliance of their Facilities with such standards established by the NSPSO, except as permitted by Temporary Waiver granted in accordance with section 2.5.

3.2.2.7, The NSPSO may also incorporate technical standards into the standard Generator Interconnection Agreement or the Network Operating Agreement attached to the Transmission Tariff. Responsibility for compliance with such standards is established in those agreements.

### 3.3, Forecasts and assessments

#### 3.3.1, Timing and scope of forecasts and assessments

3.3.1.1, The NSPSO shall make and Publish 18 month forecasts and assessments of system capacity and adequacy by the end of each April and October each year for the periods starting in May and November respectively. This 18 month forecast and assessment shall have an 18 month time horizon and weekly granularity. This 18 month forecast and assessment is intended to provide a basis for outage planning and coordination, and for medium term Market Participant operational planning.

3.3.1.2, The NSPSO shall file with the Board its 10 year energy and demand forecast by the end of April each year for the 10 year period beginning in the following January.

3.3.1.3, The NSPSO shall make and Publish its 10 year forecast and assessment of system capacity and adequacy by the end of June each year for the period beginning in the following January. This 10 year forecast and assessment shall have a 10 year time horizon and monthly granularity. This 10 year forecast and assessment shall contain the information necessary to provide a basis for identification of system-wide or location-specific shortfalls in capability as a basis for planning investment in DSM, generation and transmission.

3.3.1.4, The NSPSO shall, jointly with the NBSO and Maritime Electric Company Limited, prepare a triennial "5 year assessment" of the Maritime area in accordance with the requirements of the General Reliability Standards.

#### 3.3.2, Inputs from others

3.3.2.1, The NSPSO shall perform all of these forecasts and assessments with inputs from NSPI Customer Operations in respect of the Transmission System, Generation Market Participants, Load Market Participants, Licenced Retail Supplier Market Participants, and Connection Applicants.

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3.3.2.2, The NSPSO shall specify to Market Participants and Connection Applicants, directly or in a Market Procedure, the information it requires and the date by which it requires such information.

3.3.2.2, Market Participants and Connection Applicants shall provide the required information to the NSPSO by the dates specified.

### **3.3.3, Content of forecasts and assessments**

3.3.3.1, The forecasts will reflect the NSPSO's expectations of firm and interruptible demand and energy requirements taking account of information provided by others and of established DSM programs, and may reflect a range of such expectations.

3.3.3.2, The assessments will reflect the requirement to maintain reserves at the level required of NSPI as its contribution to Maritime area fulfillment of the General Reliability Standards.

3.3.3.3, The assessments will reflect the impacts of transmission and generation investments committed in accordance with approved NSPI system plans, generation and DSM investments committed by Market Participants and planned retirements or capability changes advised to the NSPSO.

3.3.3.4, The 18 month assessments will reflect the Outage Plans of NSPI Customer operations in respect of the Transmission System and of other Market Participants in respect of Generating Facilities as notified to the NSPSO.

3.3.3.5, The 10 year assessments will indicate the needs for new investments and the extent to which existing plans and Connection Applications would satisfy such needs.

### **3.3.4, Imports, exports and Export Generating Facilities**

3.3.4.1, The NSPSO shall, subject to its being satisfied as to the nature of the commitments, take account in its assessments of long term firm import contracts that are backed by firm transmission rights or reservations as contributing to the Adequacy of the Bulk Electricity Supply System.



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3.3.4.2, The NSPSO shall take account of long term firm export contracts as adding to its energy and demand forecasts.

3.3.4.3, The NSPSO shall reflect in its forecasts and assessments the offsetting effects with respect to energy and demand (but not necessarily with respect to transmission or Ancillary Services) of an Export Generating Facility and its associated export contract.

### **3.4, NSPSO system planning**

#### **3.4.1, Responsibility of the NSPSO**

3.4.1.1 The NSPSO is responsible for the preparation of the NSPSO system plan and the coordination of inputs thereto. The NSPSO shall specify information needed from NSPI divisions and other Market Participants and Connection Applicants, shall set the deadlines for submission of such information, and shall establish the parameters and methodology to be used in evaluation of alternatives.

3.4.1.2, The NSPSO shall reflect in the NSPSO system plan the information received from NSPI divisions and from other Market Participants and Connection Applicants.

3.4.1.3, The NSPSO shall evaluate the information received from NSPI divisions and from other Market Participants and Connection Applicants in order to develop the NSPSO system plan.

3.4.1.4, Nothing in these Market rules or the NSPSO system plan affects the requirement for capital expenditure approval by the Board pursuant to the provisions of the *Public Utilities Act*.

#### **3.4.2, Scope of the NSPSO system plan**

3.4.2.1, The NSPSO system plan will address:

- a) transmission investment planning;

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- b) DSM programs operated by NSPI Customer Service division or others;
- c) NSPI generation planning for existing Facilities, including retirements as well as investments in upgrades, refurbishment or life extension;
- d) new Generating Facilities committed in accordance with previous approved NSPSO system plans;
- e) new Generating Facilities planned by Market Participants or Connection Applicants other than NSPI;
- f) requirements for additional DSM programs and / or generating capability (for energy or ancillary services), and;
- g) load transitioning to non-NSPI supply.

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**3.4.3, Planning horizon and scope**

3.4.3.1, The purpose of the plan is to set out planned system developments, and to identify particular major investment decisions and other investment plans which are expected to be subject to Board approval, and that would require to be approved by the Board within 18 months of plan completion date, within the context of the system requirements over at least the next 10 years.

3.4.3.2, The plan shall include identification of explicit major decisions to undertake certain investments, and of implicit decisions which may constrain options for future decisions.

3.4.3.3, The plan shall include all significant transmission system upgrades that are planned or expected to be required in service within 5 years of the plan completion date.

**3.4.4, Planning criteria**

3.4.4.1, In developing its system plan the NSPSO shall have due regard to:

- a) reliability of the Bulk Electricity Supply System including in particular its Adequacy in accordance with General Reliability Standards;

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- b) compliance with environmental legislation and regulations; and
- c) economic evaluation of options.

3.4.4.2, The NSPSO shall not discriminate amongst options on the basis of ownership.

### **3.4.5, Confidentiality, Publication and Board process**

3.4.5.1, The NSPSO shall submit the draft NSPSO system plan to the Board for the Board's public comment process and for any Board review, and shall at the same time Publish the plan.

3.4.5.2, NSPI PP or Market Participants or Connection Applicants for proposed new generation projects may request to NSPSO that certain information be treated as Confidential Information if its Publication would be expected to be prejudicial to commercial interests beyond the context of the NSPSO system plan.

3.4.5.3, NSPSO shall evaluate any such request for confidentiality and shall:

- a) determine the extent of such information essential to enable readers to understand the NSPSO system plan and the evaluation of options undertaken in preparation of that plan;
- b) inform the provider of the information the details of information that the NSPSO considers to be thus an essential part of the Published system plan;
- c) seek to resolve any difference of opinion over appropriate confidentiality with the provider of the information; and
- d) include essential information in the Publication of the NSPSO system plan.

3.4.5.4, The NSPSO shall file additional supporting Confidential Information with the Board as an appendix to the draft NSPSO system plan, including the request from the relevant party that the Board treat this information as confidential.

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3.4.5.5, Following the completion of the Board's public comment process and of any review by the Board, the NSPSO may update the plan and shall publish the final version of the NSPSO system plan.

### 3.4.6, Timelines

3.4.6.1, Subject to any contrary order of the Board, the NSPSO shall submit the draft NSPSO system plan to the Board for the Board's public comment process and for any Board review, and shall Publish the draft plan each year by the end of June.

## 3.5, Outage management

### 3.5.1, Responsibilities and basic obligations

3.5.1.1, The NSPSO shall coordinate Transmission System and Generating Facility Outages to maintain the Reliability of the Bulk Electricity Supply System, including in particular the Adequacy of the system.

3.5.1.2, Except as noted in paragraphs 3.5.1.3 and 3.5.1.4, NSPI Customer Operations in respect of the Transmission System and Generation Market Participants in respect of their Generating Facilities shall not undertake any Outage except a Forced Outage, without:

- a) NSPSO approval of the Outage Plan, and
- b) NSPSO approval to commence the Outage.

3.5.1.3, The Generation Market Participant for an Export Generating Facility shall advise the NSPSO of its Outage Plans in respect of such Export Generating Facility, and may undertake such planned Outages subject to only the normal requirement for approval to De-synchronize as set out in section 4.7.

3.5.1.4, The Generation Market Participant for an Minor Generating Facility shall advise the NSPSO of its Outage Plans in respect of such Minor Generating Facility, and may undertake such planned Outages in accordance with such notification.

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### 3.5.2, Outage coordination principles

3.5.2.1, The NSPSO shall coordinate and approve Outage Plans in accordance with the following principles:

- a) The NSPSO shall not approve any Outage Plan that would jeopardise the Reliability of the Bulk Electricity Supply System or any Zone thereof except to the extent that this is unavoidable.
- b) The NSPSO shall seek to facilitate coordination of Outage Plans among the NSPI Customer Operations in respect of the Transmission System, and Generation Market Participants, subject to confidentiality constraints and the willingness of the NSPI Customer Operations in respect of the Transmission System and of Generation Market Participants.
- c) In facilitating coordination among NSPI Customer Operations in respect of the Transmission System and Generation Market Participants, the NSPSO shall support efforts to optimise economic as well as Reliability impacts.
- d) The NSPSO shall not discriminate amongst Facility Outage Plans on the basis of Facility ownership or Generating Market Participant.

### 3.5.3, Outage coordination process, and Outage Plan approval and rejection

3.5.3.1, The NSPSO shall establish the process for coordination and approval of Outage Plans in accordance with the following framework, and shall publish a Market Procedure setting out this process.

3.5.3.2, The NSPSO shall publish a calendar setting out deadlines for each stage in the annual Outage planning cycle, including the “year” to which it applies.

#### Equipment, Facility and Outage classification

3.5.3.3, The NSPSO shall include in its Market Procedure the classification for Outage planning purposes of transmission circuits and elements, and Generating

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Facilities and elements, into those having major, intermediate or only local impact.

3.5.3.4, The NSPSO shall include in its Market Procedure the classification of Outages depending on classification of the equipment or Generating Facility and the planned duration of the Outage.

#### **Information required**

3.5.3.5, The NSPSO shall include in its Market Procedure the information to be included in an Outage Plan submission, which shall include information relating to the opportunity for recall.

#### **Annual Outage planning cycle**

3.5.3.6, The NSPSO annual Outage planning cycle shall comprise:

- a) NSPI Customer Operations shall Publish its preliminary plan for at least all major and to the extent known, intermediate, Outages in the Transmission System.
- b) NSPI PP and other Generation Market Participants for Generating Facilities shall advise the NSPSO of their preferred Outage Plans for all major and to the extent known, intermediate, Outages, as well as any identified conflicts with the preliminary Transmission System Outage Plan.
- c) NSPI Customer Operations shall communicate with Load Market Participants, with other wholesale customers of NSPI, and with other large customers of NSPI in order to identify any conflicts between such parties' requirements and the preliminary Transmission System Outage Plan, and shall advise the NSPSO of any consequent changes to its preliminary Transmission System Outage Plan.
- d) The NSPSO shall review the preliminary Transmission System Outage Plan and the Generating Facility Outage Plans, and shall identify any Outage Plans:

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- i) that cannot be approved without avoidable jeopardy to the Reliability of the Bulk Electricity Supply System or any Zone thereof;
  - ii) for which approval would be contingent on the ability to recall the equipment or Generating Facility from Outage; or
  - iii) for which better coordination would be expected to result in less economic loss.
- e) The NSPSO shall notify NSPI Customer Operations in respect of the Transmission System, NSPI PP and other impacted Generation Market Participants, of any of their Outage Plans that cannot be approved and of those Outage Plans that could be better coordinated.
- f) To the extent permitted by the respective Generation Market Participants (including NSPI PP) the NSPSO shall seek to mediate or to facilitate discussion amongst the impacted parties.
- g) NSPI Customer Operations in respect of the Transmission System and Generation Market Participants (including NSPI PP) may submit revised Outage Plans.
- h) The NSPSO shall review the revised Transmission System and Generating Facility Outage Plans, and shall identify and reject any Outage Plans that cannot be approved without avoidable jeopardy to the Reliability of the Bulk Electricity Supply System or any Zone thereof. .
- i) The NSPSO shall approve all Outage Plans that can be approved without avoidable jeopardy to the Reliability of the Bulk Electricity Supply System or any Zone thereof.
- j) In the event of conflict between Outage Plans, the NSPSO shall reject first that Outage Plan for which NSPI Customer Operations in respect of the Transmission System or the Generation Market Participant has shown the least commitment to collaborative rescheduling.
- k) In the event that, in the judgment of the NSPSO, the impacted parties are equally committed to collaborative re-scheduling, the NSPSO shall reject

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first the Outage Plan whose rejection would in its opinion have the least total economic impact.

- l) The NSPSO may make its approval of an Outage Plan contingent on the recallability of equipment from Outage on certain terms.

#### **Changes and additional Outages**

3.5.3.7, Any Outage Plan rejected in accordance with the process described in paragraph 3.5.3.6 above may, at the request of NSPI Customer Operations or the Generation Market Participant, stand as an open request, in which case it shall be evaluated in advance of Outage Plans submitted later.

3.5.3.8, Outage Plans submitted to the NSPSO after the deadline for submissions under paragraph 3.5.2.2 above shall be evaluated in the order received.

3.5.3.9, Any material change to an approved Outage Plan shall be evaluated as a new Outage Plan.

3.5.3.10, The NSPSO shall include in its Market Procedure the minimum notice periods by which NSPI Customer Operations in respect of the Transmission System and Generation Market Participants are required to endeavour to submit Outage Plans in respect of different classes of outage that have not been included in the annual Outage planning cycle.

3.5.3.11, The NSPSO shall endeavour to provide advanced approval of Outage Plans, recognising that this is not always possible in view of uncertainties with respect to load forecast, system conditions, or other Outages.

3.5.3.12, The NSPSO shall make its final determination of Outage Plan approval or rejection following its first issue in accordance with paragraph 4.2.1.3 of a forecast covering the first full day of the planned Outage and shall advise NSPI Customer Operations in respect of the Transmission System and each affected Generation Market Participant accordingly.



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3.5.3.13, The NSPSO may in an emergency, in order to avoid an emergency, or in order to preserve Reliability of the Bulk Electricity Supply System or any Zone thereof, retract approval of an approved Outage Plan.

### **3.5.4, Outage commencement, recall and completion**

3.5.4.1, The approval of an Outage Plan does not constitute final approval to commence the Outage.

3.5.4.2, NSPI Customer Operations in respect of the Transmission System shall request approval of Outage commencement no more than 2 Business Days, and no less than 6 hours, before the planned commencement of the Outage.

3.5.4.3, Generation Market Participants in respect of their Generating Facilities shall request approval of Outage commencement and of any associated De-synchronization of the Facility no more than 2 Business Days and no less than 6 hours before the planned commencement of the Outage.

3.5.4.4, The NSPSO shall approve Outage commencement unless this would jeopardise the Reliability of the Bulk Electricity Supply System or any Zone thereof, in which case it may either reject the Outage or in consultation with the relevant parties, defer the commencement.

3.5.4.5, The NSPSO may in an emergency, in order to avoid an emergency, or in order to preserve Reliability of the Bulk Electricity Supply System or any Zone thereof, to the extent practical recall equipment from an Outage.

3.5.4.6, NSPI Customer Operations in respect of the Transmission System or the Generation Market Participant for the Generating Facility shall use all reasonable efforts to comply with such recall instructions and to restore the specified equipment or Generating Facility to service.

3.5.4.7, NSPI Customer Operations in respect of the Transmission System and the Generation Market Participant for a Generating Facility shall use all reasonable efforts to complete planned Outages in accordance with the approved Outage Plan and to return the specified equipment or Generating Facility to service by the dates specified in such plan.

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3.5.4.8, In the event that NSPI Customer Operations in respect of the Transmission System and the Generation Market Participant for a Generating Facility identifies that notwithstanding all reasonable efforts to complete planned Outages in accordance with the approved Outage Plan and to return the specified equipment or Generating Facility to service by the dates specified in such plan, NSPI or the Generation Market Participant expects that completion of the Outage in accordance with such approved Outage Plan is at material risk, it shall notify the NSPSO and may seek approval of an extension of the Outage.

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### **3.5.5, Coming into effect – transition provisions**

3.5.5.1, The NSPSO shall, within one month of the effective date of these Market Rules, undertake an expedited review of existing Outage Plans with NSPI Customer Operations in respect of the Transmission System and Generation Market Participants in respect of their Generating Facilities in order to reconcile and if necessary facilitate the adjustment of such Outage Plans and approve or reject such Outage Plans. Such expedited review and the associated approval or rejection shall take the place of the annual Outage planning process described in paragraph 3.5.3.6.

3.5.5.2, The NSPSO may, notwithstanding sub-section 3.5.3, issue an interim Market Procedure which may be incomplete with respect to the requirements set out in subsection 3.5.3, but which shall as a minimum provide to Generation Market Participants the information required for their submission of Outage Plans.

## **3.6, Emergency and system restoration planning and execution**

### **3.6.1, Designation of Emergency Planning Participants**

3.6.1.1, The NSPSO shall from time to time identify which Market Participants other than divisions of NSPI are required to participate in planning for response to electricity system emergencies and for electricity system restoration in order to mitigate damage and optimise restoration of the Bulk Electricity Supply System.

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3.6.1.2, The NSPSO shall designate such Market Participants as Emergency Planning Participants, shall advise each such Emergency Planning Participant, and shall maintain a list of such Emergency Planning Participants.

### 3.6.2, Preparation of Plans

3.6.2.1, Each Emergency Planning Participant shall prepare and maintain a Participant Emergency Plan which shall:

- a) define the levels of authority of responsible personnel of the Emergency Planning Participant in the event of a declared electricity system emergency or of a complete or partial system blackout;
- b) set out the means by which NSPI or other responsible persons may communicate with the responsible personnel of the Emergency Planning Participant;
- c) set out the actions to be taken immediately by responsible personnel in the event of a declared electricity system emergency or of a complete or partial system blackout;
- d) set out the key NSPI or other contact persons and channels of communication to be used in such circumstances, and describe the authority of such contract persons, recognising the provisions in the Standards of Conduct associated with the Transmission Tariff which permit suspension of those Standards of Conduct in declared electricity system emergencies;
- e) set out any standard procedures to be implemented by responsible persons in the event of a declared electricity system emergency or of a complete or partial system blackout;

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- f) recognise the role of the Nova Scotia Emergency Measures Organisation in the event of an emergency declared in accordance with the *Emergency Measures Act*, SNS 1990, c.8.

3.6.2.2, Each Participant Emergency Plan shall address electricity system emergencies and electricity system restoration and may also be part of a plan that addresses other declared emergencies.

3.6.2.3, Each Emergency Planning Participant shall submit its draft Participant Emergency Plan to the NSPSO for review, and shall modify its Participant Emergency Plan to fulfil the reasonable requirements of the NSPSO.

3.6.2.4, Each Emergency Planning Participant shall maintain its plan up to date, and shall provide every update to the NSPSO.

3.6.2.5, The NSPSO shall provide to each Emergency Planning Participant the relevant information from, or the relevant portions of, the NSPI emergency and restoration plan.

3.6.2.6, The NSPSO shall disseminate Participant Emergency Plan information within NSPI as appropriate.

3.6.2.7, The NSPSO may specify confidentiality provisions concerning emergency planning information.

### **3.6.3, Training and systems**

3.6.3.1, Each Emergency Planning Participant shall train all responsible personnel and shall maintain all communication and other systems required to support execution of its Participant Emergency Plan in good working condition.

3.6.3.2, The NSPSO shall coordinate the participation of Emergency Planning Participants in coordinated training exercises.

3.6.3.3, The NSPSO may review and audit an Emergency Planning Participant's training and preparedness.

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### 3.6.4, Declaration of an emergency and execution of plans

3.6.4.1, The NSPSO may declare an electricity system emergency in accordance with its authority under sub-section 4.9.1 and may or may not suspend its Standards of Conduct in general or in particular.

3.6.4.2, In the event of any such declared electricity system emergency or a system blackout, the provisions of Participant Emergency Plans take precedence over Market Rules only to the extent required for execution of those Participant Emergency Plans.

## 3.7, Publication and Confidentiality

### 3.7.1, Confidential Information

3.7.1.1, Confidential Information in respect of Reliability and planning generally includes:

- a) Market Participant and Connection Applicant information provided for NSPSO forecasts and assessments;
- b) Market Participant Outage Plans for Generating Facilities;
- c) Participant Emergency Plans (subject to special provisions as defined by the NSPSO).

### 3.7.2, Publication

3.7.2.1, The NSPSO shall Publish the following information in respect of Reliability and planning:

- a) technical and other standards;
- b) system forecasts, assessments and plans;
- c) aggregate forecast information with respect to long term import and export contracts considered in the forecasts and assessments, including information aggregated by type of contract;

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- d) Outage planning calendar;
- e) aggregated Outage planning information; and
- f) any electricity system emergency planning information that is required to be published for emergency preparedness.

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## 4, Wholesale and Renewable to Retail Market Operations

### 4.0, Description

*This chapter sets out the rules relating to the Day Ahead and real time operation of the system. These rules apply to the NSPSO and to Market Participants who are responsible for Generating Facilities registered in the market, who are scheduling energy or Ancillary Service transactions over the Transmission System, or who are providing Ancillary Services to the NSPSO.*

### 4.1, Scheduling and dispatch objectives

4.1.1.1, The NSPSO shall, in scheduling and dispatching energy transactions and Ancillary Services, pursue the following objectives in descending order of priority:

- a) maintain safety and the Reliability of the Bulk Electricity Supply System in accordance with the requirements of the General Reliability Standards;
- b) undertake congestion management of interconnection transactions in accordance with the interconnection agreement between NSPI and the NBSO;
- c) complete firm energy transactions and unit-contingent firm energy transactions scheduled by Market Participants;
- d) minimise Control Actions except those that only impact non-firm energy transactions energy transactions other than those scheduled by Market Participants or as Ancillary Services, such as purchasing emergency energy and inadvertent exchange;
- e) complete non-firm energy transactions scheduled by Market Participants;

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- f) in instances when the NSPSO is required to Re-dispatch resources in order to fulfil the above objectives, the NSPSO shall make the most economical use of the resources available for such Re-dispatch, based on the information provided by Market Participants.

4.1.1.2, In pursuing the above objectives, the NSPSO shall have regard for the capabilities of the Transmission System and of each Facility.

## 4.2, Information

### 4.2.1, Daily forecasts

4.2.1.1, The NSPSO may set out in a Market Procedure the information required from Market Participants for the NSPSO's preparation of its daily forecast, and the time by which such information shall be submitted.

4.2.1.2, Market Participants shall provide in a timely manner all information thus specified in a Market Procedure.

4.2.1.3, The NSPSO shall Publish by 10:00 each Business Day its forecast of the net system daily peak demand for each of the following five Dispatch Days.

### 4.2.2, System status

4.2.2.1, Market Participants may access certain Transmission System status information and messages on the NSPI OASIS.

## 4.3, Submission of energy schedules

### 4.3.1, Transmission Customer responsibilities for Bundled Service, Unbundled Service, and Partially Unbundled Service

4.3.1.1, NSPI PP is the Transmission Customer in respect of all Bundled Service and in respect of the bundled portion of Partially Unbundled Service.

4.3.1.2, The Load Market Participant for a Facility taking Unbundled Service or Partially Unbundled Service may be the Transmission Customer for the delivery of the



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Unbundled Service or the unbundled portion of Partially Unbundled Service, or may designate another Market Participant as the Transmission Customer

4.3.1.3, In executing or amending a service agreement for Network Integration Transmission Service in accordance with the Transmission Tariff, the Transmission Customer for the unbundled portion of Partial Unbundled Service shall designate either:

- a) that the unbundled portion is the primary service (as described in paragraph 4.3.1.4); or
- b) that the bundled portion is the primary service (as described in paragraph 4.3.1.4).

4.3.1.4, In either case all energy flows and demands up to the MW values scheduled for whichever is the primary service in accordance with section 4.3 shall be attributed to the primary service, and all amounts in excess thereof shall be attributed to the secondary service.

#### **4.3.2, Schedules for Bundled Service, including the bundled portion of Partially Unbundled Service**

4.3.2.1, NSPI PP shall submit a single schedule in respect of all Bundled Service, including the bundled portion of Partially Unbundled Service.

4.3.2.2, Each such schedule shall identify in respect of each hour:

- a) withdrawals:
  - i) for individual consumers over 25 MW peak gross demand, the individual withdrawal net of the output of any Load Displacement Generating Facilities, and
  - ii) for all other customers, the aggregated balance of system wide total withdrawal, net of the output of Load Displacement Generating Facilities; and
- b) injections:
  - i) import transactions, and

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- ii) individual Generating Facility injections recognising the requirements or permissions of the NSPSO in accordance with paragraphs 2.2.1.5 and 2.2.1.6 and including any net injections from Facilities aggregated in accordance with paragraph 2.2.1.7, but excluding the output from Load Displacement Generating Facilities.

4.3.2.3, Bundled Service schedules shall exclude exports.

4.3.2.4, The Bundled Service schedule in respect of any Generating Facility shall not exceed the capability of that Generating Facility minus any provision for Ancillary Services to be provided from that Generating Facility, and minus any export or Unbundled Service to be scheduled from that Generating Facility.

#### **4.3.3, Schedules for Unbundled Service, including the unbundled portion of Partially Unbundled Service**

4.3.3.1, Each Transmission Customer shall submit a schedule in respect of Unbundled Service, including the unbundled portion of Partially Unbundled Service.

4.3.3.2, A Transmission Customer for more than one Load Market Participant shall submit no more than one schedule in respect of each such Load Market Participant in any hour, and may chose to consolidate schedules for service to more than one such Load Market Participant, subject to; each such schedule shall identify in respect of each hour:

- a) withdrawals:
  - i) individual net withdrawal for each Load Market Participant and Point of Delivery net of the output of any Load Displacement Generating Facilities; and
- b) injections:
  - i) import transactions, and
  - ii) individual Generating Facility injections recognising the requirements or permissions of the NSPSO in accordance with paragraphs 2.2.1.5 and 2.2.1.6 and including any net injections from

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Facilities aggregated in accordance with paragraph 2.2.1.7, but  
excluding the output from Load Displacement Generating Facilities.

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#### 4.3.4, Imports and exports

4.3.4.1, Import schedules may be integrated with either Bundled Service or Unbundled Service schedules as appropriate and as noted above.

4.3.4.2, Export transactions shall be scheduled as Point to Point transactions separately from imports and service to Nova Scotia loads.

4.3.4.3, Multiple export transactions may be consolidated into a single schedule reflecting a single nominal Point of Receipt for export service, and identifying the amount of supply from individual Generating Facilities.

4.3.4.4, All import and export schedules are subject to NERC e-tagging requirements.

4.3.4.5, Licenced Retail Supplier Market Participants do not qualify for Import and Export transactions.

#### 4.3.5, Classes of import and export schedules

4.3.5.1, The Market Participant scheduling an import shall designate its class with respect to firmness of energy:

- a) Firm imports are subject to curtailment only in accordance with the interconnection agreement between NSPI and the NBSO as a result of inter-tie constraint, general New Brunswick system shortfall or impactive Transmission Loading Relief.
- b) Unit-contingent imports are also subject to curtailment in the event of a shortfall in the output of the generating facility designated as the source
- c) Other recallable provisions to be specified and subject to acceptance by the NSPSO.

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4.3.5.2, The Market Participant scheduling an export shall designate its class with respect to firmness of energy:

- a) Firm exports are subject to curtailment only in accordance with the interconnection agreement between NSPI and the NBSO as a result of inter-tie constraint, general Nova Scotia system shortfall or impactive Transmission Loading Relief.
- b) Unit-contingent exports are also subject to curtailment in the event of a shortfall in the output of the Generating Facility designated as the source.
- c) Other recallable provisions to be specified and subject to acceptance by the NSPSO.

4.3.5.3, The rules relating to schedules for an import or export of an Ancillary Service are set out in subsection 4.5.4.

#### **4.3.6, Submission of Energy Schedules for the Renewable to Retail Market**

4.3.6.1, The Licenced Retail Supplier Market Participant is the Transmission Customer in respect of their aggregate Renewable to Retail generation resources.

4.3.6.2, The Licenced Retail Supplier as the Transmission Customer shall submit a schedule in respect of its aggregate generation resource injections.

4.3.6.3, A Licenced Retail Supplier as the Transmission Customer shall submit no more than one schedule in respect of that Licenced Retail Supplier's Generating Facility(ies) (whether owned or contracted) in any hour; such schedule shall identify in respect of each hour:

a) injections:

the aggregate of all individual Generating Facility injections (whether owned or contracted) recognising the requirements or permissions of the NSPSO in accordance with paragraphs 2.2.1.5 and 2.2.1.6.

4.3.6.4 The Licenced Retail Supplier as the Transmission Customer is not required to provide hourly schedules of its aggregate net withdrawals related to supply of

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its Renewable to Retail customer load. Such withdrawals are included in the NSPI PP hourly system load schedule.

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**4.3.7. Loss factors**

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**NSPI PP Bundled Service scheduling**

4.3.7.1, NSPI PP shall in scheduling its Generating Facilities and import transactions for Bundled Service take account of its best estimates of actual energy losses in transmission, including the application of any Special Locational Loss Factor.

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**Unbundled Network Integration Transmission Service scheduling**

4.3.7.2, Any Market Participant submitting a schedule for unbundled Network Integration Transmission Service shall take account of the system average loss factor published by the NSPSO for this purpose, and of any Special Locational Loss Factors applicable in respect of Generating Facilities.

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**Point to Point Transmission Service scheduling**

4.3.7.3, Any Market Participant submitting a schedule for Point to Point Transmission Service shall take account of the path-specific loss factor published by the NSPSO for this purpose, and of any Special Locational Loss Factors applicable in respect of Generating Facilities.

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**4.3.8. Day Ahead scheduling**

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4.3.8.1, NSPI PP and any other Market Participant scheduling energy under Network Integration Transmission Service (including for Bundled Service) shall submit a complete schedule for each Dispatch Day no earlier than 07:00 and no later than 11:00 on the Day Ahead.

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4.3.8.2, NSPI PP and any other Market Participant wishing to schedule energy under firm Point to Point Transmission Service are required by the Transmission Tariff to submit such a schedule for each Dispatch Day by 11:00 on the Day Ahead.

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4.3.8.3, NSPI PP and any other Market Participant wishing to schedule energy under non-firm Point to Point Transmission Service are permitted by the Transmission

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Tariff to submit such a schedule for each Dispatch Day by 11:00 on the Day Ahead, and are requested but not required so to do.

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4.3.8.4, NSPSO shall review those schedules that are submitted by 11:00 on the Day Ahead, and shall by 12:00 notify the Market Participant of any identified problems and of any changes required for purposes of system security.

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4.3.8.5, Any Market Participant receiving such notification shall address the identified problems and any required changes for purposes of system security and shall by 13:00 submit a revised complete schedule.

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4.3.8.6, Following review and internal approval of such schedules, the NSPSO is required to provide the schedules to the Reliability Coordinator as required for security coordination.

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4.3.8.7, In the event that the Reliability Coordinator identifies security concerns with such schedules to the NSPSO, the NSPSO shall advise the relevant Market Participants of such problems, and the Market Participant shall promptly address those problems and submit such schedule revisions as may be required.

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4.3.8.8, Any rescheduling of Generating Facility output required and carried out in accordance with paragraphs 4.3.8.4 to 4.3.8.7 shall, unless associated with Point to Point Service, be considered as Re-dispatch for purposes of settlement in accordance with paragraph 5.4.1.1.

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**4.3.9, Additional schedules and updates**

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4.3.9.1, Any Market Participant may submit additional or updated schedules between the times prescribed in sub-section 4.3.8 and sub-section 4.3.10.

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**4.3.10, Dispatch Day scheduling**

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4.3.10.1, NSPI PP shall before the start of each hour submit an update to the schedule for Bundled Service (including the aggregate net withdrawals related to supply of all Renewable to Retail customer load) that:

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a) confirms the last previously submitted schedule for the hour about to start (hour 1) except in the event that the NSPSO has directed a change as a result of Control Actions or in response to a Forced Outage or other activation of operating reserve;

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b) confirms the last previously submitted schedule for the next hour (hour 2) unless unforeseen circumstances have caused the need for change; and

c) updates without restriction the last previously submitted schedule for the next two hours (hours 3 and 4).

4.3.10.2, NSPI PP, except in respect of the schedule for Bundled Service, and other Market Participants may in accordance with the tariff submit new or revised schedules in respect of any hour until 30 minutes before the start of that hour, but are requested to make such submissions no later than 60 minutes before the start of the hour in order to facilitate and provide better assurance of checkout of any import or export transactions.

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4.3.10.3, NSPSO shall promptly notify any Market Participant whose schedule is not accepted or which fails checkout in respect of import or export.

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**4.3.11, Late changes**

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4.3.11.1, Schedule changes after the times prescribed in sub-section 4.3.10 are not permitted except in the event that the NSPSO has directed a change as a result of Control Actions or in response to a Forced Outage or other activation of Operating Reserve, or except in the event that the NSPSO grants special authorisation.

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**4.4, Intermittent Generating Facility operations**

4.4.1.1, The Market Participant for an Intermittent Generating Facility shall submit and update schedules in respect of such Facility operation in accordance with section 4.3.

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4.4.1.2, In submitting such schedules, the Market Participant shall undertake commercially reasonable efforts to forecast the hourly output of such Facilities, in accordance with a protocol to be established by agreement with the NSPSO recognising that:

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- a) the need for forecast accuracy depends on the size of the Intermittent Generating Facility; and
- b) the need for forecast accuracy may vary according to the location of the Facility connection and the condition of the Transmission System. Accuracy is particularly critical if transmission constraints would require the re-dispatch of other Generating Facilities to accommodate the output of an Intermittent Generating Facility.

4.4.1.3, Subject to the approval of the NSPSO, the protocol for scheduling output of a particular Intermittent Generating Facility may reflect its aggregation in accordance with paragraph 2.2.1.6 with other Generating Facilities, including with other Intermittent Generating Facilities, and if applicable its aggregation in accordance with paragraph 2.2.1.7.

4.4.1.4, Subject to the approval of the NSPSO, the protocol for scheduling output of a particular Intermittent Generating Facility may provide for a Wholesale Customer to utilise Generator Balancing Service by others as permitted under the Transmission Tariff.

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## 4.5, Ancillary Service scheduling

### 4.5.1, Energy imbalance service

4.5.1.1, The NSPSO may re-dispatch any available Dispatchable Generating Facility in accordance with section 4.8 in order to provide energy imbalance service.

### 4.5.2, Reactive Power and Voltage Support

4.5.2.1, The NSPSO shall determine the reactive power or voltage set-points for all Generating Facilities with reactive power or voltage control capability, taking



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account of scheduled and actual grid conditions. In determining the set-points of each generating facility the NSPSO shall:

- a) give primacy to the security of the grid;
- b) within any region of the grid, generally and over time allocate reactive power service obligations on a non-discriminatory basis in proportion to the Facility Reactive Power Capability of each Generating Facility; and
- c) seek to minimise control adjustments.

4.5.2.2, The NSPSO may provide an initial schedule of VAR requirements to Market Participants in advance, or may provide directions for immediate implementation at any time.

4.5.2.3, Market Participants for Generating Facilities shall promptly adjust the dispatch of their Facilities to comply with the direction of the NSPSO, and shall promptly notify the NSPSO of any inability to comply or any delay in compliance.

### **4.5.3, Other Nova Scotia Ancillary Services**

4.5.3.1, In accordance with the provisions of the Transmission Tariff, Transmission Customers may self-supply Ancillary Services otherwise covered by schedules 3, 4, 5 and 6 of the Transmission Tariff.

4.5.3.2, Any Market Participant that is providing self-supplied Ancillary Services shall submit its schedule for the provision of such self-supplied Ancillary Services, and shall update such schedules, at the same times as it submits its energy schedules as set out in section 4.3.

4.5.3.3, NSPI PP is the sole provider to the NSPSO of Ancillary Services from generation other than those that are self-supplied by Transmission Customers.

4.5.3.4, NSPI PP shall submit its schedule for the provision of such Ancillary Services, and shall update such schedules, at the same times as it submits its Bundled Service schedules as set out in section 4.3.

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#### **4.5.4, Ancillary Service import and export schedules**

4.5.4.1, The self-supply of certain Ancillary Services in accordance with paragraph 4.5.3.2 may, subject to activation arrangements satisfactory to the NSPSO include import of such Ancillary Service.

4.5.4.2, The supply by NSPI PP of certain Ancillary Services in accordance with paragraph 4.5.3.4 may, subject to activation arrangements satisfactory to the NSPSO include import of such Ancillary Service.

4.5.4.3, A Transmission Customer may subject to paragraph 4.5.4.4 and to the provisions applicable to export schedules for energy submit an export schedule for Ancillary Services.

4.5.4.4, A Transmission Customer may only submit an export schedule for an Ancillary Service if the Transmission Customer has secured prior approval from the NSPSO of the process for communicating activation of the Ancillary Service and for adjustment to energy schedules to reflect such activation.

#### **4.6, Data setting out estimated marginal costs, energy limits, and environmental restrictions**

4.6.1.1, Each Market Participant for a Dispatchable Generating Facility shall submit marginal cost estimates for use by the NSPSO in Re-dispatch of such Dispatchable Generating Facilities.

4.6.1.2, Each Market Participant for a Generating Facility that is subject to a limit on the total energy production in a given Dispatch Day shall submit to the NSPSO details of such limit.

4.6.1.3, Each Market Participant for a Generating Facility that is subject to firm environmental restrictions on its operations in a given Dispatch Day shall submit to the NSPSO details of such restrictions.

4.6.1.4, Market Participants shall make the submissions identified in this section no later than the first submission of the schedule to which they relate.

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4.6.1.5, The NSPSO shall issue a Market Procedure setting out the form, content and other details of the submissions required in accordance with this sub-section.

## 4.7, Synchronization and De-synchronization

4.7.1.1, The Market Participant for a Generating Facility other than a Minor Generating Facility may not Synchronize or De-synchronize such Generating Facility or any unit thereof without prior authorization of the NSPSO except in the event of a Forced Outage.

4.7.1.2, The Market Participant for a Generating Facility shall make all reasonable efforts to request authorization to Synchronize or to De-synchronize with at least one hour's notice.

4.7.1.3, The NSPSO shall respond within one hour of a Market Participant's request to Synchronize or De-synchronize.

4.7.1.4, The NSPSO may direct or authorise Synchronization or De-synchronization of a Generating Facility or unit thereof at such shorter notice as may be required for Reliability of the Bulk Electricity Supply System.

## 4.8, Real time operation and Re-dispatch

### 4.8.1, Market Participant obligations

4.8.1.1, The Market Participant for a Dispatchable Generating Facility or for a non-Dispatchable Export Generating Facility shall either establish a protocol with the agreement of the NSPSO for ramping the Generating Facility between its scheduled output levels in successive hours, or shall secure approval each hour for such ramping.

4.8.1.2, The Market Participant for a Dispatchable Generating Facility or for a non-Dispatchable Export Generating Facility shall make all reasonable efforts to operate the Generating Facility in accordance with approved schedules or subsequent Re-dispatch instructions from the NSPSO, recognising the ramping

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provisions of paragraph 4.8.1.1, and particularly to operate the Facility so as not to deviate therefrom by more than the control dead-band established as part of the Facility registration process.

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4.8.1.3, The Market Participant for a Generating Facility including an Intermittent Generating Facility shall make all reasonable efforts to operate the Generating Facility exactly in accordance with and with the reactive power or voltage control directions of the NSPSO.

4.8.1.4, The Market Participant for a Generating Facility shall immediately advise the NSPSO of any unforeseen event that limits or is expected to limit the capability of the Generating Facility to provide energy or Ancillary Services (whether scheduled or not), or that impairs the operation of protection or communications systems. Any such event shall be designated as a Forced Outage, and shall be subject to the reporting provisions of sub-section 4.8.5.

4.8.1.5, To the extent reasonable practical, the Market Participant for a Generating Facility subject to a Forced Outage shall not remove the Generating Facility from service until after it has advised the NSPSO of the Forced Outage event and any requirement to remove the Generating Facility from service.

4.8.1.6, The NSPSO may request that the Market Participant retain the Generating Facility in service for sufficient time, recognising what is reasonably practical in the circumstances, to mitigate impact on the Bulk Electricity Supply System.

4.8.1.7, The Market Participant shall reasonable consider any such request and, subject to overriding considerations of safety and prevention of damage, shall seek to comply with such request.

## **4.8.2, NSPSO Re-dispatch instructions**

### **Reasons for Re-dispatch**

4.8.2.1, In the event that:

- a) the actual system load varies from the forecast reflected in schedules;

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- b) a transmission constraint precludes the implementation of schedules as submitted;
- c) voltage support or reactive power requirements require Re-dispatch;
- d) a Generating Facility suffers a Forced Outage or otherwise fails to fulfill its schedule;
- e) the actual output of Intermittent Generating Facilities varies from the scheduled output;
- f) the NSPSO needs to correct accumulated inadvertent energy flows on the interconnection with New Brunswick; or
- g) the New Brunswick System Operator initiates activation of Operating Reserve, or requests emergency support, in accordance with the interconnection agreement between NSPI and the New Brunswick System Operator;

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the NSPSO may Re-dispatch one or more Dispatchable Generating Facilities as required.

#### **Selection of Generating Facilities for Re-dispatch**

4.8.2.2, The NSPSO shall select Generating Facilities for Re-dispatch taking account of:

- a) the capability of the Generating Facility to serve the requirement (particularly with respect to transmission constraints and voltage control / reactive power);
- b) ramping capability (particularly in the activation of Operating Reserve in response to a contingency event);
- c) election by the Market Participant for any Generating Facility to be preferentially constrained-off in the event of particular transmission constraints; and
- d) the most economic fulfillment of the need, based on the marginal cost estimates provided by Market Participants and any energy limits and

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environmental restrictions advised by Market Participants, and taking account of marginal locational loss factors if relevant.

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4.8.2.3, In the event that the Re-dispatch of Dispatchable Generation Facilities will not completely resolve the event identified in paragraph 4.8.2.1, then the NSPSO may issue a Re-dispatch instruction to a Market Participant for the reduction of the output of an Intermittent Generating Facility. In the event of a need to Re-dispatch Intermittent Generating Facilities, the NSPSO shall do so on a non-discriminatory basis, having regard for any environmental considerations and, in the event that a single Market Participant is responsible for more than one impacted Intermittent Generating Facility, the preferences of that Market Participant with respect to those Facilities.

#### **Issue of Re-dispatch instructions**

4.8.2.4, The NSPSO shall issue Re-dispatch instructions to the person so designated by each Market Participant.

#### **4.8.3, NSPSO operation of Generating Facilities**

4.8.3.1, A Market Participant may with the agreement of the NSPSO assign to the NSPSO the direct control of certain Generating Facilities.

4.8.3.2, The NSPSO shall use all reasonable efforts to operate such Generating Facilities in accordance with the schedule provided by the Market Participant, subject to Re-dispatch in accordance with sub-section 4.8.2.

4.8.3.3, If the NSPSO operator initiates any deviation from schedule in respect of such Generating Facilities, it shall be considered as an instructed Re-dispatch.

#### **4.8.4, Regulation service**

4.8.4.1, The NSPSO shall have the ability for direct and automatic control of Generating Facilities providing regulation and frequency response service.

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#### **4.8.5, Forced Outage reporting**

4.8.5.1, The Market Participant for any Generating Facility, other than a Load Displacement Generating Facility, that suffers a Forced Outage shall within two Business Days of the start of such Forced Outage submit a report in a form acceptable to the NSPSO describing the Forced Outage, its cause, and any remedial actions undertaken or planned.

4.8.5.2, To the extent that the information is incomplete at that time, the Market Participant shall make a complete report promptly on the information becoming available.

4.8.5.3, The NSPSO may require sufficient additional information to determine nature of the Forced Outage, the root and proximate causes, and the appropriate remedial actions, and may request such information from the Market Participant, from NSPI Customer Operations and any other Market Participant who may have relevant information.

4.8.5.4, NSPI Customer Operations or the Market Participant receiving any such request shall promptly provide such additional information, as well as subsequent confirmation of the completion of any remedial actions.

4.8.5.5, The NSPSO shall advise the Market Participant of any findings it makes with respect to the cause of a Forced Outage.

### **4.9, Control Actions and special operating states**

#### **4.9.1, NSPSO responsibilities and authority**

4.9.1.1, The NSPSO is responsible to preserve the security of the Nova Scotia Transmission System and to take actions determined by the Reliability Coordinator for the preservation of security of the transmission system in the Maritime region.

4.9.1.2, The NSPSO is responsible, subject to paragraph 4.9.1.1, to undertake congestion management of interconnection transactions in accordance with the interconnection agreement between NSPI and the NBSO.

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4.9.1.3, In order to complete its responsibilities under paragraphs 4.9.1.1 and 4.9.1.2, and to minimise disruption of firm energy transactions and unit-contingent firm energy transactions scheduled by Market Participants the NSPSO has the authority to take Control Actions including:

- a) interruption of transactions utilising non-firm transmission service;
- b) operation of the system in accordance with emergency or high risk operating state limits or with reduced operating or supplementary reserves;
- c) mobilisation of all available generation resources, including requests that Market Participants seek temporary waiver of environmental restrictions on Generating Facility operations;
- d) recall of transmission equipment and Generating Facilities from Outages, where practical;
- e) interruption of all non-firm load;
- f) interruption of firm exports;
- g) load reduction through 5% voltage cuts;
- h) declaration of an electrical system emergency operating state and purchase of emergency energy; and
- i) interruption of firm load.

4.9.1.4, Subject to the applicable provisions of the interconnection agreement between NSPI and the NBSO, the sequencing of Control Actions is a matter for the NSPSO operating personnel operating in accordance with guidelines established by the NSPSO and taking account of the circumstances as they arise.

4.9.1.5, The NSPSO shall seek to give reasonable notice of conditions that may lead to the use of Control Actions and of the invocation of particular Control Actions, recognising that circumstances may limit or preclude notice.



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4.9.1.6, When issuing any directive to a Market Participant for implementation of a Control Action, the NSPSO shall identify this as a Control Action requirement either:

- a) by a prior general notice of an actual or expected emergency operating state;
- b) in any prior notice of the expected Control Action requirement; or
- c) in issuing the directive to the Market Participant.

4.9.1.7, The NSPSO shall initiate interruption of all supply designated as economically interruptible in advance of, and in every case no later than, initiating any Control Action.

#### **4.9.2, Market Participant obligations**

4.9.2.1, A Market Participant receiving a directive for a Control Action shall use all efforts to comply, and shall immediately advise the NSPSO of any actual or expected delay or problems in compliance.

### **4.10, Confidential Information and Publication**

#### **4.10.1, Confidential Information**

4.10.1.1, Confidential information includes the following categories of information:

- a) Generating Facility and Load Facility operating status and current capability;
- b) Generating Facility and Load Facility environmental data not otherwise in the public domain;
- c) Generating Facility and Load Facility operating plans;
- d) schedules for energy transactions and the provision of Ancillary Services;
- e) estimated and actual cost data;

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- f) re-dispatch instructions;
- g) Forced Outage reports;
- f) communications relating to the above matters; and
- i) Facility data except as listed in paragraph 4.10.2.1.

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#### 4.10.2, Publication

4.10.2.1, The NSPSO shall Publish:

- a) Transmission System data:
  - i) system data, and
  - ii) emergency or high risk states, beginning and end:
- b) forecast data:
  - i) short term forecasts as set out in section 4.2.1:
- c) current (10 minute average) estimated data:
  - i) total net Nova Scotia load,
  - ii) net energy flow to / from New Brunswick,;
  - iii) net energy flow "Cape Breton Export", and
  - iv) net energy flow "Onslow South";
- d) historic data, to be published within 10 business days of the end of each month:
  - i) hourly total net Nova Scotia load,
  - ii) hourly net energy flows to / from New Brunswick, Cape Breton Export, and Onslow South, and
  - iii) hourly New Brunswick intertie TTC & ATC; and
- e) historic data, to be published within 2 months of the end of each year:
  - i) monthly Generating Facility energy output, and

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- ii) annual Generating Facility reliability and availability data in the form and detail requiring to be filed with NERC or NPCC.

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## 5, Settlement

### 5.0, Description

*This chapter sets out the rules relating to the settlement arising from market operations. These rules therefore apply to settlement between the NSPSO and Market Participants, and do not apply to settlement between Market Participants and other parties (including other Market Participants) in respect of their bilateral transactions which may be scheduled over the Transmission System by the NSPSO. These rules do not apply to settlement between NSPI and its customers for Bundled Service. The rules for invoicing and payment do not apply to transactions between the NSPSO and other divisions of NSPI; such inter-divisional transactions will be recorded where appropriate as book entries.*

### 5.1, Metering Data Management

#### 5.1.1, Meter reading

5.1.1.1, The NSPSO shall arrange for the collection and management of all metering data required for settlement under the Market Rules, including through the use of the resources of NSPI Customer Service division.

#### 5.1.2, Error correction

5.1.2.1, For all Generating Facilities that are the subject of a Generator Interconnection Agreement, the process for error correction and adjustment shall be as set out in article 7 of that agreement. For all Generating Facilities that are the subject of a Standard Small Generator Interconnection and Operating Agreement the process for error correction and adjustment shall be as set out in article 2.5 of that agreement.

5.1.2.2, For all Load Facilities or Distribution Systems, the process for error correction and adjustment shall be in accordance with Regulation 5.5 of the NSPI Rates and Regulations approved by the Board.

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### 5.1.3, Data access

5.1.3.1, Metering data is the confidential property of the NSPSO.

5.1.3.2, Metering data, including meter output data and all error corrections and adjustments, shall be made available in a reasonable and convenient form to the Transmission Provider and to any Market Participant whose settlement under the Transmission Tariff or Market Rules is directly dependent on such metering data.

### 5.1.4, Metering disputes

5.1.4.1, For all Generating Facilities that are the subject of a Generator Interconnection Agreement, any disputes over metering are subject to resolution in accordance with [Section 7 of the transmission Generator Interconnection Agreement or Section 2.5 of the Standard Small Generator Interconnection Agreement as applicable](#).

5.1.4.2, For all Load Facilities or Distribution Systems, any disputes over metering are subject to resolution in accordance with Regulation 6.7 of the NSPI Rates and Regulations approved by the Board.

## 5.2 Adjustments

### 5.2.1, Local loss factors and adjustments

5.2.1.1, All metered energy and demand quantities shall for the purposes of settlement under the Market Rules be adjusted as necessary to reflect the quantities at transmission voltage.

### 5.2.2, Special Locational Loss Factor

5.2.2.1, In the event that a new or significantly expanded Generating Facility has been assigned a Special Locational Loss Factor in accordance with paragraph 2.2.6.4, the metered output of the Facility shall be further adjusted accordingly.

### **5.3, Settlement – general**

5.3.1.1, The NSPSO shall undertake settlement calculations and prepare settlement statements for all Market Participants including NSPI, on a common basis, subject to limitations imposed by the unavailability of revenue-quality metering data at NSPI PP Generating Facility Points of Receipt and at transmission Points of Delivery used only for the supply of Bundled Service.

5.3.1.2, Settlement within NSPI, including transactions between the NSPSO and other parts of NSPI, will not be subject to invoicing and cash payment, but will be recorded as book entries only.

### **5.4, Energy Re-dispatch**

#### **5.4.1, Eligibility for energy Re-dispatch settlement**

5.4.1.1, In accordance with paragraph 4.3.7.8 and except as noted in paragraphs 5.4.1.3 to 5.4.1.5, Market Participants for Generating Facilities that are required to adjust their schedule including in the Day Ahead in order to address transmission constraints, except in the case of Point to Point Transmission Service, or voltage support requirements are eligible for energy Re-dispatch settlement.

5.4.1.2, Except as noted in paragraphs 5.4.1.3 to 5.4.1.5, Market Participants for Generating Facilities that are Re-dispatched up or down by the NSPSO relative to their schedule, are eligible for energy Re-dispatch settlement, including in respect of reserve activation initiated by the Reliability Coordinator and the repayment following reserve activation.

5.4.1.3, Market Participants for Generating Facilities that are Re-dispatched down as a result of proportionate reduction of Point-to-Point transmission flows are not eligible for energy Re-dispatch settlement in respect thereof.

5.4.1.4, NSPI PP is not eligible for energy Re-dispatch settlement in respect of Re-dispatch to address energy imbalance.

5.4.1.5, NSPI PP is not eligible for energy Re-dispatch settlement in respect of Re-dispatch associated with inadvertent energy flows on the intertie to New Brunswick or the repayment of such inadvertent flows.

#### **5.4.2, Determination of quantity of Re-dispatch eligible for settlement**

5.4.2.1, The quantity of eligible Re-dispatch up in any hour, measured in MWh, is the lesser of:

- a) the excess of the total MWh output implied by a Re-dispatch instruction over the hour or the relevant portion thereof, over that implied by the Market Participant's schedule; and
- b) the excess of the total actual MWh output measured over the hour or the relevant portion thereof, over that implied by the Market Participant's schedule.

5.4.2.2, The quantity of eligible Re-dispatch down in any hour, measured in MWh, is the greater of:

- a) the excess of the total MWh output implied by the Market Participant's schedule over that implied by a Re-dispatch instruction, measured over the hour or the relevant portion thereof; and
- b) the excess of the total MWh output implied by the Market Participant's schedule over the actual output, measured over the hour or the relevant portion thereof, but not more than 120% of the excess implied by the Re-dispatch instruction.

#### **5.4.3, Determination of settlement amount for Re-dispatch up**

5.4.3.1, Following any event of Re-dispatch up, the Market Participant may, at any time prior to the end of the month following the event, submit a claim for Re-dispatch settlement to the NSPSO.

5.4.3.2, Any such claim shall be supported by data setting out the actual variable fuel and operation and maintenance cost per MWh of compliance with the Re-

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dispatch instruction, which may include reference to previously filed cost information.

5.4.3.3, For the case of a hydraulic Generating Facility for which the Re-dispatch up has an opportunity cost, the Market Participant may make its claim on the basis of such opportunity cost per MWh, together with appropriate supporting data.

5.4.3.4, The rate per MWh of Re-dispatch up shall be the lesser of the appropriate actual or opportunity cost thus established and 120% of the Re-dispatch cost estimate provided to the NSPSO in accordance with section 4.6.

5.4.3.5, The amount payable by the NSPSO to the Market Participant shall be the product of the rate thus established and the quantity established in accordance with paragraph 5.4.2.1.

#### **5.4.4, Determination of settlement amount due for Re-dispatch down**

5.4.4.1, Following any event of Re-dispatch down, the NSPSO shall determine the Re-dispatch settlement amount, and shall provide its determination prior to the end of the month following the event.

5.4.4.2, The NSPSO may require the Market Participant to submit data setting out the actual variable fuel and operation and maintenance cost per MWh that the Market Participant has avoided through compliance with the Re-dispatch instruction, which may include reference to previously filed cost information.

5.4.4.3, For the case of a hydraulic Generating Facility for which the Re-dispatch down has an opportunity benefit, the NSPSO may require the Market Participant to provide data with respect to such opportunity benefit per MWh.

5.4.4.4, The NSPSO may require the Market Participant to submit its calculation of the settlement amount in respect of Re-dispatch down.

5.4.4.5, Any Market Participant required by the NSPSO to submit data in accordance with paragraphs 5.4.4.2, 5.4.4.3 or 5.4.4.4 shall do so within 10 business days.



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5.4.4.6, The NSPSO may rely on previously filed cost information, including that filed under sub-section 5.4.3 above, in its determination of the settlement amount for Re-dispatch down.

5.4.4.7, The rate per MWh of Re-dispatch down shall be the greater of the actual saving or opportunity benefit thus established and 80% of the Re-dispatch cost estimate provided to the NSPSO in accordance with section 4.6.

5.4.4.8, The settlement amount payable by the Market Participant to the NSPSO shall be the product of the rate thus established and the quantity established in accordance with paragraph 5.4.2.2.

#### **5.4.5, NSPSO right to audit data and to make adjustments**

5.4.5.1, The NSPSO may request additional supporting data and may review or audit data submitted under this section at any time within a year of the Re-dispatch event to which it applies.

5.4.5.2, The Market Participant shall promptly submit any additional data thus requested, and shall assist the NSPSO in any review or audit.

5.4.5.3, If the NSPSO determines that such additional data, review or audit reveals any Re-dispatch settlement to have been in error, it may following notice to the Market Participant make appropriate settlement adjustments.

#### **5.4.6, Offsets and waivers**

5.4.6.1, The NSPSO and a Market Participant may, subject to the following conditions, agree to offset or waive settlement for Re-dispatch:

- a) such agreement shall be for no more than one year at a time;
- b) such agreement shall generally apply to all transactions between the NSPSO and the Market Participant with respect to one or more categories listed in paragraph 5.4.7.1;
- c) such agreement shall not in the judgement of the NSPSO be expected to cause additional cost or harm to any other Market Participant; and

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- d) the NSPSO shall Publish the existence of such agreements, including their duration, scope and Market Participant.

**5.4.7, Accounting for Re-dispatch settlement amounts**

5.4.7.1, The NSPSO shall allocate all Re-dispatch settlement amounts to:

- a) reactive power and voltage control;
- b) imbalance; or
- c) congestion management.

5.4.7.2, The NSPSO may make such allocation on the basis of its estimates of the causes of Re-dispatch.

**5.4.8, Re-dispatch in response to a Control Action directive**

5.4.8.1, In the event that a Generation Market Participant other than NSPI PP is subject to Re-dispatch as a Control Action either;

- a) in respect of a Dispatchable Generating Facility to a level of output that is not covered by a marginal cost estimate provided in accordance with subsection 4.6; or
- b) in respect of a Generating Facility that is not a Dispatchable Generating Facility;

then that Generation Market Participant shall be eligible for Re-dispatch settlement notwithstanding the lack of an applicable marginal cost estimate.

**5.4.9, Market Procedure**

5.4.9.1, The NSPSO may issue a Market Procedure setting out the process for submitting Re-dispatch settlement claims and the information that the NSPSO requires.

## 5.5, Ancillary Services procured

### 5.5.1, Reactive power and voltage support

5.5.1.1, The NSPSO shall pay Generation Market Participants for the variable and opportunity costs of actual provision of reactive power and, for the balance, in proportion to the capability of their Generating Facilities, all as set out below.

#### **Determination of Generating Facility reactive power capability**

5.5.1.2, On an annual basis, and otherwise as required as a result of the addition, retirement or modification of a Generating Facility, the NSPSO shall determine the Facility Reactive Power Capability of each registered Generating Facility that provides reactive power under the direction of the NSPSO. The Facility Reactive Power Capability shall be measured in MVAR at transmission voltage and shall be the lesser of:

- a) actual reactive power injection capability while generating energy output at its nominal energy capability; and
- b) reactive power injection capability requirement at nominal energy capability as determined by the applicable technical standard or any higher standard determined in the System Impact Study to be applicable to that Facility.

#### **Determination of System Reactive Power Capability and Facility Reactive Power Capability Share**

5.5.1.3, The System Reactive Power Capability is the total of all the Facility Reactive Power Capabilities.

5.5.1.4, The Facility Reactive Power Capability Share of any Facility in any month is the Facility Reactive Power Capability divided by the System Reactive Power Capability.

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**Determination of the variable and opportunity costs of providing reactive power**

5.5.1.5, The variable cost of providing reactive power is limited to:

- a) the variable cost of synchronous condenser operation; and
- b) the net cost of Re-dispatch of energy in order to address voltage support requirements as determined in accordance with section 5.4.

5.5.1.6, Any requirement by the NSPSO for synchronous condenser operation of a generation facility for the purposes of providing reactive power and voltage support shall be treated as a Re-dispatch up and settled in accordance with section 5.4.

5.5.1.7, The opportunity cost of providing reactive power is limited to circumstances where the NSPSO requires provision of reactive power in excess of the Facility Reactive Power Capability as determined above.

5.5.1.8, To the extent that the provision of reactive power in excess of the Facility Reactive Power Capability results in a net variable cost to the Market Participant, it shall be settled as Re-dispatch down in respect of the reduced energy output in accordance with section 5.4.

**Determination of total reactive power revenue and net reactive power revenue**

5.5.1.9, The total reactive power revenue in any month is the amount determined in accordance with schedule 2 of the transmission tariff, as applied to all transmission service including that used by NSPI for Bundled Service and other purposes.

5.5.1.10, The net reactive power revenue in any month is the total reactive power revenue less the variable and opportunity costs of providing reactive power as determined in accordance with paragraphs 5.5.1.5 to 5.5.1.8 above for the respective month.

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**Determination of Market Participant reactive power credit**

5.5.1.11, The Market Participant Reactive Power Capability Share in any month as the total of the Facility Reactive Power Capability Shares in respect of the Facilities for which it is the Market Participant.

5.5.1.12, The NSPSO shall credit to each Market Participant its Reactive Power Capability Share of the net reactive power revenue for each month.

**5.5.2, Energy imbalance procurement**

5.5.2.1, NSPI PP fulfills all energy imbalance requirements except those fulfilled by re-dispatch of other Market Participant Generating Facilities.

5.5.2.2, The NSPSO shall therefore credit the full amounts collected for energy imbalance under the transmission tariff to NSPI PP, less the net amount of settlement with other Market Participants in respect of Re-dispatch for purposes of matching energy imbalance.

**5.5.3, Other Ancillary Service procurement**

5.5.3.1, Certain other Ancillary Services are procured only from NSPI PP, so that the NSPSO shall credit to NSPI PP the full amounts collected under the transmission tariff schedules in respect of :

- a) load following;
- b) operating reserve; and
- c) supplemental reserve.

**5.6, Transmission Tariff**

5.6.1.1, Charges to Transmission Customers shall be determined and invoiced in accordance with the Transmission Tariff.

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**5.7, Reserved**

**5.8, Invoicing and financial settlement**

**5.8.1, Invoice and settlement statement**

5.8.1.1, The NSPSO shall invoice each Market Participant for the net amount of charges and credits arising in the respective month.

5.8.1.2, The NSPSO shall make available to each Market Participant, in the invoice or by other agreed means, the calculation of each amount included in the invoice.

**5.8.2, Deadlines**

5.8.2.1, The NSPSO shall issue its invoices within a reasonable time after the end of the month in which the charges and credits arise.

5.8.2.2, The NSPSO and Market Participants shall make full payment of such invoices no later than the last Business Day not more than 20 days after the date of issue of the invoice. For payments by mail, the payment date shall be the date of the postmark.

**5.8.3, Disputes**

5.8.3.1, If a Market Participant becomes aware of an error or otherwise disputes an invoice, it shall promptly notify the NSPSO.

5.8.3.2, The NSPSO may if appropriate issue a revised invoice.

5.8.3.3, Disputes that cannot be resolved at the normal staff level shall be subject to the dispute resolution process set out in section 2.8, unless the disputes relate to metering data, in which case the relevant metering data dispute resolution process identified in sub-section 5.1.4 shall apply.

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5.8.3.4, Payment of invoiced amounts is due in full, irrespective of any such notification of error or dispute, and without prejudice to the resolution of such error or dispute.

5.8.3.5, A Market Participant may, following notification to the NSPSO, pay any disputed portion into an independent escrow account pending resolution of the dispute.

**5.8.4, Delay and Default**

5.8.4.1, Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified in Regulation 5.4 of NSPI Rates and Regulations as approved by the Board.

5.8.4.2, In the event of a Market Participant payment default that has not been remedied within 30 days of notice by the NSPSO, the NSPSO may suspend all or certain of the Market Participant's rights as a Market Participant in accordance with the provisions of section 2.5, and may ultimately Terminate market participation in accordance with that section. Such actions are in addition to, and not in replacement of, rights of recovery and rights under the Transmission Tariff or other agreements.

**5.9, Publication and Confidentiality**

**5.9.1, Confidential Information**

5.9.1.1, Settlement information is confidential except as specifically required to be Published.

**5.9.2, Publication**

5.9.2.1, The NSPSO shall Publish the following information:

- a) invoicing dates and payment deadlines;
- b) system aggregates of energy and peak monthly demand, based on metering data, and as used in the determination of charges under the Transmission Tariff;

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- c) information specified in sub-paragraph 5.4.6.1 (d); and
- d) the System Reactive Power Capability.