

# **Nova Scotia Wholesale Electricity Market Rules**

## **Chapter 2: Market Administration**

**Issue: 01**

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## Document Control and General Provisions

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## **2 Market Administration**

### **2.0 Description**

*This chapter sets out the rules relating to participation in the market, including the rules setting out requirements for becoming a Market Participant. This chapter also sets out the rules governing the administration of the market. 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 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 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 Transmission Service Information Network accreditation.

2.1.1.3 A person who expects to become eligible to be a Market Participant 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.

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

## **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:

- 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.

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.

**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.

**Separation and Aggregation**

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.

**Market Procedure**

2.2.1.8 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.

**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.

**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.

**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 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.

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 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 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.

## **2.3 Wholesale Market Advisory Committee**

### **2.3.1 Appointment of a Wholesale Market Advisory Committee**

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

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

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

### **2.3.2 Meetings and Support**

2.3.2.1 The NSPSO shall arrange meetings of the Wholesale Market Advisory Committee:

- a) at least once in every calendar quarter unless waived by unanimous agreement of all members of the Wholesale Market Advisory Committee; and
- b) additionally as required for the conduct of the business of the Wholesale Market Advisory Committee.

2.3.2.2 The NSPSO shall provide the following support for the activities of the Wholesale Market Advisory Committee as may be required from time to time for

the due performance by the Wholesale Market Advisory Committee of its functions:

- a) administrative services, including the use of the NSPSO's support personnel where required;
- b) facilities for meetings of the Wholesale Market Advisory Committee;
- 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 Wholesale Market Advisory Committee and the recommendations and reports of the Wholesale Market Advisory Committee. Such Publication shall be effected from time to time as required to provide timely notice of developments.

### **2.3.3 Conduct of Business**

2.3.3.1 Subject to the provisions of this section 2.3 and of Appendix 2C, the Wholesale Market 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.

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

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

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 Wholesale Market Advisory Committee itself.

### **2.3.4 Confidentiality**

2.3.4.1 Members of the Wholesale Market 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 Wholesale Market Advisory Committee where such disclosure is necessary for the due performance by the Wholesale Market Advisory Committee of its functions, it being understood that in most instances the disclosure of Confidential Information will not be required for this purpose.

## **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 market.

### **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 market 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
  - iii) there is a material threat to the integrity of the market 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 Wholesale Market Advisory Committee and other stakeholder comment on any non-urgent amendment,
  - ii) stakeholder consultation shall also include the opportunity for active Wholesale Market Advisory Committee discussion of any material non-urgent amendment;
- g) include prompt Publication of stakeholder comments and of a record of Wholesale Market 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 Wholesale Market Advisory Committee or stakeholder consultations prior to making any urgent rule amendment, and irrespective of any such accelerated stakeholder consultations, require stakeholder consultations including Wholesale Market 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 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, stakeholdering, 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 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:
  - 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 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 Wholesale Market Advisory Committee and other stakeholder comment on all non-urgent changes, and
- ii) stakeholder consultation may also include the opportunity for active Wholesale Market 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 Wholesale Market 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.

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

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.

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 market, 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 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 market.
- 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.
- 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 market, 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 the 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:

- 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.

## **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.

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**

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

- 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.

## Appendix 2A: Pro-forma Participation Agreement

THIS PARTICIPATION AGREEMENT dated this \_\_\_\_ day of \_\_\_\_\_, 200\_

**BETWEEN:**

Name of Applicant: \_\_\_\_\_

Description of Applicant: \_\_\_\_\_

Complete Address: \_\_\_\_\_

(hereinafter referred to as the “Applicant”)

-and-

Nova Scotia Power Incorporated, a corporation incorporated under the laws of Nova Scotia, having its Head Office in the City of Halifax, Province of Nova Scotia (Nova Scotia Power Inc as system operator, hereinafter referred to as “NSPSO”).

**WHEREAS:**

- A. The Applicant wishes to undertake one or more of the following activities:
  - i. schedule transactions for the provision or conveyance of electricity or Ancillary Services into, within or out of the Transmission System controlled by Nova Scotia Power Incorporated;
  - ii. register a facility to convey electricity or Ancillary Services into, within or out of the Transmission System controlled by Nova Scotia Power Incorporated;
  - iii. provide Ancillary Services to NSPSO or to a Market Participant; or
  - iv. reserve Point-to-Point Service under the Transmission Tariff.
- B. The *Electricity Act*, S.N.S. 2004, c. 25 and regulations made pursuant thereto and the Market Rules for the Nova Scotia electricity market (the “Market Rules”) stipulate that no person shall undertake the activities referred to in recital A above unless Accredited as a Market Participant by NSPSO.
- C. The Market Rules further stipulate that no person shall be Accredited by NSPSO as a Market Participant unless the person agrees to be bound by the Market Rules by executing a Participation Agreement.

- D. The Market Rules contemplate that the Market Rules shall have the effect of a contract between each Market Participant and NSPSO by virtue of the execution of a Participation Agreement.
- E. The Applicant and NSPSO wish to enter into this Participation Agreement to satisfy the conditions contained in the Market Rules that a Participation Agreement be executed in order for NSPSO to Accredite the person as a Market Participant.

**NOW THEREFORE**, in consideration of the mutual covenants in this Participation Agreement and of other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

**ARTICLE 1**

**INTERPRETATION**

- 1.1 **Incorporation of Market Rules Definitions:** Subject to section 1.2, capitalized terms used in this Agreement have the meanings given to them in Chapter 1 and Appendix 1A of the Market Rules.
- 1.2 **Supplementary Definitions:** In this Agreement, the following capitalized terms shall have the meanings set out below unless the context otherwise requires:
  - (a) **“Act”** shall mean the *Electricity Act*, S.N.S. 2004, c. 25 as amended from time to time, and includes any regulations made pursuant thereto.
  - (b) **“Agreement”** means this Participation Agreement, including the above recitals and Schedules, and the express

- 1.5 **Imperative versus Permissive:** In this Agreement, the words “shall” or “must” shall be construed as imperative and the word “may” shall be construed as permissive.

## ARTICLE 2

### MARKET RULES

- 2.1 **Market Rules Govern:** In the event of any inconsistency between this Agreement and the Market Rules, the Market Rules shall prevail to the extent of the inconsistency.

## ARTICLE 3

### COMPLIANCE WITH MARKET RULES AND SPECIAL PROVISIONS

- 3.1 **Compliance Obligation:** Each Party agrees to be bound by and to comply with the Act, the regulations made pursuant thereto and all of the provisions of the Market Rules, as such Market Rules may be Amended by NSPSO from time to time in accordance with the Market Rules, so far as the Market Rules are applicable to such Party.
- 3.2 **Applicant’s Additional Compliance Obligation:** The Applicant agrees to comply with:
- (a) any conditions of participation imposed on the Accreditation of the Applicant as described in Schedule 2 of this Agreement, and
  - (b) any provisions imposed under section 2.1.5.3 of the Market Rules.

## ARTICLE 4

### REPRESENTATIONS AND WARRANTIES

- 4.1 **Representations and Warranties of NSPSO:** NSPSO hereby represents and warrants as follows to the Applicant and acknowledges and confirms that the Applicant is relying on such representations and warranties in applying to be Accredited as a Market Participant:
- (a) the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and/or governmental action;
  - (b) this Agreement constitutes a legal and binding obligation of NSPSO, enforceable against NSPSO in accordance with its terms; and

- (c) NSPSO in its role as system operator and transmission provider, shall maintain the confidentiality of information provided by a Market Participant that is defined as “Confidential Information” by the Market Rules, as required by the Market Rules and subject to the Board-approved Standards of Conduct published from time to time by NSPSO.

4.2 **Representations and Warranties of the Applicant:** The Applicant hereby represents and warrants as follows to NSPSO and acknowledges and confirms that NSPSO is relying on such representations and warranties without independent inquiry to ascertain whether the Applicant satisfies the requirements for Accreditation as a Market Participant under the Market Rules; and to authorize the Applicant as an Accredited Market Participant under the Market Rules:

- (a) it is a [form of business organization] duly [incorporated/formed/registered] and existing under the laws of [location];
- (b) it has all the necessary corporate power to enter into and perform its obligations under this Agreement;
- (c) the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate action and does not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a violation or a breach of or a default under or give rise to a right of termination, greater rights or increased costs, amendment or cancellation or the acceleration of any obligation under (i) any charter or by-law instruments of the Applicant; (ii) any contracts or instruments to which the Applicant is bound; or (iii) any laws applicable to it;
- (d) the individual(s) executing this Agreement, and any document in connection herewith, on behalf of the Applicant have been duly authorized to execute this Agreement and have the full power and authority to bind the Applicant;
- (e) this Agreement constitutes a legal and binding obligation on the Applicant, enforceable against the Applicant in accordance with its terms;
- (f) except for Accreditation as a Market Participant and/or registration of any applicable Facilities by NSPSO under the Market Rules, it holds all permits, licences and other authorizations that may be necessary to enable it to carry on the business and perform the functions and obligations of a Market Participant as described in the Market Rules and in this Agreement;
- (g) the Applicant has adequate qualified employees and other personnel and organizational and other arrangements that are sufficient to enable it to

perform all of the functions and obligations of a Market Participant under the Market Rules; and

- (h) the information provided in and in support of its Application for Accreditation is true, accurate and complete in all respects.
- 4.3 **Notification:** The Applicant shall promptly notify NSPSO of any circumstance that does or may result in any of the representations and warranties set forth in section 4.2 becoming untrue or inaccurate during the term of this Agreement and/or of any events, circumstances or conditions that has, had or could have the effect of resulting in the Applicant no longer being qualified for Accreditation.

## **ARTICLE 5**

### **TERM AND TERMINATION**

- 5.1 **Term:** This Agreement shall come into force on the date first noted above and shall remain in full force and effect until terminated in accordance with section 5.2.
- 5.2 **Termination:** Subject to sections 5.3 and 5.4, this Agreement shall automatically terminate on the earlier of:
- (a) the date of issuance to the Applicant of a Termination Order by NSPSO in accordance with section 2.6 of the Market Rules; or
  - (b) the Applicant ceasing to be a Market Participant in accordance with section 2.1.6 of the Market Rules.
- 5.3 **Ongoing Liability:** Notwithstanding section 5.2 above, if the Applicant becomes subject to a Termination Order or otherwise ceases to be a Market Participant, the Applicant shall remain subject to and liable for all of its obligations and liabilities as a Market Participant that were incurred or arose under the Market Rules prior to the date on which the Termination Order was issued or the date on which it otherwise ceased to be a Market Participant, as the case may be, regardless of the date on which any claim relating thereto may be made.
- 5.4 **Termination for bankruptcy:** In the event of any liquidation, winding up or bankruptcy of a Party, whether voluntary or compulsory, or any composition with creditors or scheme of arrangement, the other Party may terminate this Agreement immediately upon notice in writing to the Party that is subject to the liquidation, winding up or bankruptcy or receiver or trustee in bankruptcy acting in relation thereto, without prejudice to any other right or remedy the other Party may have.

- 5.5 **Confidentiality:** Notwithstanding section 5.2, if the Applicant becomes subject to a Termination Order or otherwise ceases to be a Market Participant, the Applicant shall remain subject to any confidentiality provisions contained in the Market Rules for all information obtained by or provided to the Applicant while the Applicant was a Market Participant.
- 5.6 **Survival:** Notwithstanding any provision to the contrary and for greater certainty, the terms of sections 5.3 and 5.5 shall survive any termination of this Agreement without limit as to time.

## ARTICLE 6

### LIABILITY AND INDEMNIFICATION

- 6.1 **Limitation of Liability:** Sections 1.6.5 and 1.6.7 of the Market Rules apply to this Agreement and are hereby incorporated by reference herein, with all references in such section to a Market Participant being deemed to include references to the Applicant.

## ARTICLE 7

### MISCELLANEOUS

- 7.1 **Amendment:** No amendment of this Agreement shall be effective unless made in writing and signed by the Parties.
- 7.2 **Assignment:** No Party may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent will not be unreasonably withheld.
- 7.3 **Use of Third Parties by the Applicant:** For greater certainty, except as otherwise provided in the Market Rules and without prejudice to the application of section 2.2.2.6 of the Market Rules, the Applicant may use such personnel, service providers or other agents as the Applicant, in its sole discretion, considers appropriate for the purpose of assisting in the performance of its obligations under the Market Rules; provided that the Applicant shall ensure such personnel, service providers or other agents adhere to the terms of this Agreement and the Market Rules, and in any event, the Applicant shall be responsible for any breach of this Agreement or the Market Rules by any such personnel, service providers or other agents.
- 7.4 **Successors and Assigns:** This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective heirs, administrators, executors, successors and permitted assigns.

- 7.5 **Further Assurances:** Each Party shall promptly execute and deliver or cause to be executed and delivered all further documents in connection with this Agreement that the other Party may reasonably require for the purposes of giving effect to this Agreement.
- 7.6 **Waiver:** A waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the Party to be bound by the waiver. No waiver will be inferred or implied by any failure to act or by the delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other Party. The waiver by a Party of any default, breach or non-compliance under this Agreement shall not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).
- 7.7 **Severability:** Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of that invalidity or unenforceability and shall be deemed severed from the remainder of this Agreement, all without affecting the validity or enforceability of the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.
- 7.8 **Notices:** Any notice, demand, consent, request or other communication required or permitted to be given or made under this Agreement shall:
- a) be given or made in the manner set forth in section 1.6.3 of the Market Rules;
  - b) be addressed to the other Party in accordance with the information set forth in Schedule 1; and
  - c) be treated as having been duly given or made in accordance with the provisions of section 1.6.3 of the Market Rules. Either Party may change its address and representative as set forth in Schedule 1 by written notice to the other Party given as aforesaid. Such change shall not constitute an amendment to this Agreement for the purposes of the application of section 7.1.
- 7.9 **Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein.
- 7.10 **Dispute Resolution:** Section 2.8.2 of the Market Rules applies to any dispute that arises under this Agreement and is incorporated by reference herein, with such modifications as the context may require.

- 7.11 **Attornment:** Each Party agrees (i) that any action or proceeding relating to this Agreement shall be brought in any court of competent jurisdiction in the Province of Nova Scotia, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of such Nova Scotia court; (ii) that it irrevocably waives any right to, and will not, oppose any such Nova Scotia action or proceeding on any jurisdictional basis, including *forum non conveniens*; and (iii) not to oppose the enforcement against it in any other jurisdiction of any judgment or order duly obtained from a Nova Scotia court.
- 7.12 **Counterparts:** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the Parties shall adopt any signatures received by a receiving facsimile machine as original signatures of the Parties; provided, however, that any Party providing its signature in such manner shall promptly forward to the other Party an original signed copy of this Agreement which was so faxed.

**IN WITNESS WHEREOF** the Parties have, by their duly appointed and authorized representatives, executed this Agreement.

**Applicant**

**Nova Scotia Power Incorporated**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE 1****REPRESENTATIVES FOR NOTIFICATIONS (section 7.8)****NSPSO**

Name of NSPSO Representative:	
Title:	
Address:	
City/Province/Postal Code	
Email address:	
Phone:	
Fax:	

**Applicant**

Name of Applicant Representative:	
Title:	
Name of Applicant:	
Address:	
City/Province/Postal Code:	
Email address:	
Phone:	
Fax:	

**SCHEDULE 2**

**SPECIAL CONDITIONS OF PARTICIPATION (section 3.2 (a))**

## **Appendix 2B: Guidelines for Financial Penalties**

The NSPSO is not empowered under present legislation to assess financial penalties. Guidelines will be developed following any empowering legislation.

## **Appendix 2C: Wholesale Market Advisory Committee Terms of Reference**

### **2C.1 Purpose and scope of Wholesale Market Advisory Committee**

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

- a) The Wholesale Market 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 electricity market issues identified by the NSPSO or introduced by committee members or other stakeholders.
- b) The Wholesale Market 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.

2C.1.2 The Wholesale Market 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 Wholesale Market 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 Wholesale Market Advisory Committee of a particular matter.

## **2C.2 Membership**

2C.2.1 Membership of the Wholesale Market 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 Department of Energy and the Board may each appoint an observer to the 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.

### **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 Wholesale Market 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 Wholesale Market 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 the Wholesale Market 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 Wholesale Market 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.

2C.3.8 In order that the terms of appointment be staggered, the initial terms of appointment of each initial member of the Wholesale Market 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 Wholesale Market 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 Wholesale Market 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 Wholesale Market Advisory Committee.

2C.3.11 The NSPSO may remove any member of the Wholesale Market 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 Wholesale Market 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 Wholesale Market 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 of 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 electricity market, 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 Wholesale Market Advisory Committee, either as member or alternate:

- 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.

2C.4.3 A person shall not be appointed to the Wholesale Market 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 Wholesale Market Advisory Committee or alternate, except that this provision shall not apply in respect of a member and alternate representing the same group.

## **2C.5 Procedures and Processes**

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

2C.5.2 The Wholesale Market 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.

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 Wholesale Market 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.

## **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 stakeholding 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 Wholesale Market 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 Wholesale Market 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.