

Review of Operating Reserve and Adequacy Transactions Practices & Policies

Market Pricing Working Group
October 29, 2008



Agenda



- Why Are We Here?
- What Are We Talking About?
- What is Next?

Why Are We Here?



- MSP Recommendations
 - Operating Reserve (OR) Requirement should not be reduced at all, as the probability of a second contingency does not change
 - Are OR Reductions appropriate for load following (Area Control Error (ACE)) deviations
 - Removing MW from the market demand/schedule (Shared Activation of Reserve (SAR), Adequacy (ADQh))
- Market Events
 - Removing transactions from the market schedule for curtailments associated with ADQh and surplus baseload generation (SBG)
 - Operational experiences (i.e. June 12, 2007 – 5% Voltage Reductions & Emergency Energy Purchases)

What Are We Talking About?



- When to reduce the OR requirement
- When to add/remove MW to/from the market (unconstrained) schedule
- One Time Dispatch (OTD) versus OR

What Are We Talking About?



- When to reduce the OR requirement
 - The IESO reduces for contingencies which include but are not limited to:
 - Generation Loss
 - ACE Deviations
 - Loss of a transmission element

What Are We Talking About?



- When to add/remove MW to/from the market (unconstrained) schedule
 - The IESO removes MW from the market demand when the IESO receives SAR, RRS
 - The IESO removes MW cut for ADQh from the market and constrained schedules. ADQH code is used when Ontario faces a resource shortfall which is not recognized by the hour-ahead pre-dispatch sequence (used for shortfall seen in current or next hour).
 - The IESO removes MW from the market and constrained schedules when they are cutting imports for Surplus Baseload Generation (SBG)

What Are We Talking About?



- One Time Dispatch (OTD) versus OR
 - Looking to OTD to recover generation load balance
 - Existing tool limitations
- Future Considerations

What Is Next?



- Discussion paper to come out in November or December
- Discussion around paper in December or New Year
- SE-67 can be reviewed here:
http://www.ieso.ca/imoweb/consult/consult_se67.asp