

IESO SENIOR MANAGEMENT UPDATE

To: Stakeholder Advisory Committee

Date: August 17, 2011

Subject: Control Action Operating Reserve

Information Item

The IESO will be meeting with stakeholders on Wednesday August 24th to discuss a proposal for developing changes to Control Action Operating Reserve (CAOR). The IESO will also discuss responses to stakeholder comments on the position paper the IESO developed on CAOR.

Reliability standards allow the IESO to consider, for the purposes of meeting its operating reserve requirements, the demand relief that would result from the use of control actions such as voltage reductions. This demand relief is represented in the market today as standing offers of CAOR.

Changes to CAOR can be expected to impact all market participants through resulting changes to:

- Operating reserve and energy market prices; and
- Scheduling of resources to provide operating reserve.

Currently dispatchable generators, dispatchable loads and imports provide operating reserve in the IESO-administered markets.

The IESO encourages stakeholders from all industry sectors to attend or monitor these stakeholder meetings (SE-72) so that any changes to CAOR are subject to broad industry discussion.

The August 24th meeting will be held at the IESO Minto offices, from 9:00 a.m. to 11:30 a.m. To register for this meeting, please email stakeholder.engagement@ieso.ca. Further information on this stakeholder engagement (SE-72) can be found on the IESO public web-site at the following link: http://www.ieso.ca/imoweb/consult/consult_se72.asp.