



Power to Ontario. On Demand.

IESO SENIOR MANAGEMENT UPDATE

To: Stakeholder Advisory Committee

Date: August 17, 2011

Subject: Supply of Regulation Service in Ontario

Information Item

The IESO has issued a Request for Proposal (RFP) to assess potential Regulation Service providers in Ontario and to enter into contracts to obtain suitable facilities to provide this ancillary service.

In this RFP, load facilities or alternative technologies capable of varying their power demand in response to control signals received from the IESO's Energy Management System (EMS) may respond, as well as generation facilities with Automatic Generation Control (AGC) capability. The IESO has identified that a minimum threshold of 2 MW of Regulation Service is required for potential participation in the provision of regulation service.

Qualified interested parties are invited to respond to the Regulation Service RFP which closes at 1 pm (Toronto time) Friday, September 9, 2011. The IESO expects to make a selection of successful respondents in the fall with execution of Regulation Service agreements in place as early as January 1, 2012. Providers of regulation service require certification under the terms of the agreement before their contract goes into effect

The IESO has responsibility for maintaining power system reliability. It does this in part through contracting for sufficient Regulation Service to meet all applicable reliability standards. Regulation Service acts to match total system generation to total system load (plus transmission losses) minute-by-minute as required on the electricity grid, and acts to help correct variations in power system frequency. This service has traditionally been provided, by generation facilities with Automatic Generation Control (AGC) capability which allows it to vary its output automatically, within a specified range, in response to control signals received from the IESO's EMS.