

I. Introduction

Events in 2005 have underscored the challenges in providing a reliable supply of electricity in Ontario over the next few years. The tight demand/supply conditions during the spring and summer of 2005 have resulted in 12 days of public appeals, three separate occasions when the IESO implemented five percent voltage reductions, and numerous other occasions where emergency control actions were taken to preserve the reliability of the power system. Given that this is not a sustainable situation, the IESO intends to identify, design, and implement measures to enhance the reliability of the power system in advance of the summer of 2006.

Improving the reliability and capability of existing resources by resolving ongoing dispatch issues is one of the areas that the IESO intends to address. Dispatch volatility (e.g. number dispatch instructions and dispatch reversals) and the ability to manage plant operational requirements will be addressed in this initiative. Initially, the IESO will work with affected and interested stakeholders to identify measures to address dispatch issues that can be implemented by June 2006. Upon implementing these measures, the IESO will continue to work with stakeholders in addressing dispatch issues requiring solutions with longer term implementation periods (e.g., solutions requiring significant tool changes, etc.).

II. Stakeholders

While electricity reliability is of interest to all stakeholders, the resolution of dispatch issues most directly affects dispatchable generators.

III. Stakeholder Engagement Goals and Objectives

Goal

The goal of the stakeholder engagement program is to provide interested stakeholders with the opportunity to work with the IESO in identifying and addressing dispatch issues both in the short term (for implementation by June 2006) and in the longer term.

Objectives

1. To provide stakeholders the opportunity to assist the IESO in identifying short term priority dispatch issues that could be addressed by June 2006 including but not limited to compliance dead-band, replacement offers, Multi Interval Optimization (MIO), load forecast smoothing, and compliance aggregation (see note below for an explanation of these);
2. To provide stakeholders with the opportunity to provide feedback on proposed dispatch measures to be implemented by June 2006;
3. To ensure that proposed solutions to dispatch issues take into account the need to minimize adverse affects on market participant operations and processes to the extent possible;

4. To provide stakeholders with the opportunity to provide input to plans to implement the measures by June 2006; and,
5. To provide stakeholders the opportunity to assist the IESO in addressing dispatch issues with longer term implementation periods upon implementation of the short term measures.

Note

Increase to the compliance dead-band from 10 MW to 15 MW, which would allow units on the margin to decrease the number of moves they need to make in response to dispatch instructions (pilot study being planned with fossil units).

Replacement offers, allowing MW to be transferred to another related resource when a unit fails to perform in response to a dispatch.

Changes to the Multi Interval Optimization (MIO) window will assess the use of reduced number of intervals for the MIO “look ahead”.

Changes to the amount of Load forecast smoothing used by the IESO tools, allowing for “smoothing” of load prediction using past intervals’ actual load values and forecasts of future intervals’ load.

Compliance aggregation will allow certain generating facilities to “aggregate” dispatch instructions to two or more separate resources for compliance purposes (pilot study being planned with river systems with high ramp units).

IV. Stakeholder Engagement Approach and Methods

The stakeholder engagement approach proposed involves a combination of stakeholder feedback and consultation including the formation of a Dispatch Issues Working Group and web-based postings with the opportunity for comment.

The Dispatch Issues Working Group will afford the opportunity for interested dispatchable generators to provide the IESO with timely advice on the resolution of dispatch issues that can be addressed by June 2006 and providing input on longer term solutions.

The Working Group will be open to all interested stakeholders. Those interested are asked to submit an e-mail to the IESO at stakeholder.engagement@ieso.ca. The intention is to obtain a balanced representation including current market participants who are affected by dispatch issues.

A number of pilot projects are planned to be developed to test the proposed solutions to the dispatch issues. The proposed solutions may result in a combination of procedure based solutions. Some of these changes may require market rule changes.

Web-based postings will provide all interested stakeholders with an efficient lower cost method to be informed of the process and provide feedback on proposed measures via e-mail.

All stakeholder input will be considered prior to finalizing measures for implementation in June 2006. The proposed measures will also be provided to the Stakeholder Advisory Committee, providing all stakeholder sectors with the opportunity to communicate their views and positions on proposed dispatch measures directly to the IESO Executive/Board of Directors in advance of IESO Board approvals.

V. Decision Making Steps and Schedule of Activities

Draft Stakeholder Engagement Schedule	
Activity	Target Date
1. Posting of stakeholder engagement plan.	Completed on October 17th
2. Request for nominations for membership in the Dispatch Issues Working Group.	Completed in Mid October
3. Announcement of members of the Working Group.	Completed on October 28th
4. Working Group Meeting #1: Identification and review of dispatch issues that can be addressed by June 2006. Describe potential solutions and related pilot projects. Present proposed schedule for development of solutions.	Completed on November 14
5. Posting of proposed solutions/measures resulting from Meeting #1 on the web with opportunity for written feedback on solutions, pilots and schedule.	Completed by end of November
6. Working Group Meeting #2: Report progress on procedure based solutions, finalize proposal for pilots, and accept nominations for participation in pilots.	Completed on December 14
7. Report on results of testing from November MIO tests and December RD Filter test.	Completed on December 23
8. Working Group Meeting #3 to update on Dispatch Issue pilot results, implementing the dead-band permanently, results of compliance Aggregation and Replacement Offers, Load Smoothing, IESO simulation of options.	Completed February 17
9. Working group meeting #4 on progress of pilot project and training on Automatic Generation Control (AGC) and Dispatch Issues.	Completed March 8
10. Posting of proposed changes to Interpretation bulletin related to procedure-based solutions.	Completed April 3
11. Working group #5 for training Session on AGC and presentation on Load Smoothing.	Completed April 6
12. Feedback deadline for Interpretation Bulletin.	Completed April 10

Draft Stakeholder Engagement Schedule	
Activity	Target Date
13. Posting final Interpretation Bulletin.	Completed April 24
14. Technical Panel review of market rule amendments.	Completed May 23
15. Posting of proposed changes for Replacement Offers, with opportunity for written feedback from all stakeholders.	Completed May 24
16. Working group meeting #6 via webcast to review report.	Completed June 19
17. Deadline for stakeholder review of amendment proposal.	Completed June 22
18. Update to Stakeholder Advisory Committee.	Completed July 12
19. Technical Panel meeting for consideration of market rule amendments MR-00121 and recommendations to the Board of Directors.	Completed July 18
20. Board consideration and approval of market rules as required.	Completed July 27
21. Market manual changes.	August
22. Posting of final report	October 6
23. Final meeting with working group to present final report.	October 25
24. Presentation of final report to Stakeholder Advisory Committee.	November 1

This is a public consultation and information supplied by stakeholders will be posted on the IESO website including identification of the participant.