

Forecasts and Assessments Standing Committee



Minutes of the December 20, 2005 Meeting of the Forecasts and Assessments Standing-Committee

December 20, 2005 1:15 pm to 4:15 pm
Clarkson System Control Centre, Room 216

Attendees:

Craig Lemon Union Gas
Richard Rogacki Ministry of Energy
Greg Hine IESO
Peter Gruttke OPG
Ben Li IESO

Item #1: Review of minutes: Meeting July 20, Oct 5 and Nov 25

July 20 Minutes: Updated as per comments received

Oct 5 Minutes: Updated as per comments received

Nov 25 Minutes: Minor updates as per comments received

Action Item: Minutes were amended and will be re-issued.

Item #2: Discussion of Reserve Above Requirement [All]

Imports into Ontario

The extent to which imports could be included in resource adequacy assessments was discussed, with the following observations. The extent to which it is appropriate to include imports into Ontario, in an L&C study for the peak hour of the week, depends on the characteristics of the import agreement, and in particular the extent to which the import is guaranteed to be delivered at the time of peak demand. Imports that have some guarantee of delivery are sometimes referred to as a "firm" purchase, or "capacity backed" purchase. Consideration must also be given to the extent to which any import is deliverable to the appropriate area of the province.

Transmission Constraint Considerations

The extent to which imports can be delivered, and the extent to which generation internal to Ontario can be utilized in the appropriate area of the province are considered, to varying degrees, in different models that are used in reliability assessments. The L&C assessment tool models the northwest zone of Ontario, and would identify the extent to which any "firm" Manitoba purchases could be utilized in the northwest zone, together with generation internal to that zone. The extent to which any surplus in resources could be exported out of the Northwest zone, to be used to supply loads in other zones in Ontario is also identified.

It was identified that the Ontario Transmission System document provides more detail with respect to the 10 transmission zones that are modeled in the MARS program.

Demand Profile

Discussion regarding the demand profile for winter peak and summer peak periods highlighted the need to sustain resources at relatively high levels for a greater number of hours in order to meet a summer peak, compared with a winter peak.

Resource Sustainability

It was seen that, in order to meet demand, sustainability requirements of resources are greater in periods of time when demand is sustained at higher levels, such as in the summer months.

Hydroelectric Resource Sustainability

It was identified that the present Form 1230 requires market participants to identify the amount of hydroelectric capacity that is sustainable for one hour per day, five days per week.

Meeting the Peak Demand for One Hour vs. Meeting Demand for Several Hours

It was identified that the L&C Reliability Assessment tool examines the capability to meet peak hourly demand for one peak hour of the day, but this tool does not perform an assessment of the extent to which a demand-supply balance can be maintained for other hours of the day, or other hours in the week. It was identified that other assessment processes, criteria and techniques could be used to assist in determining the ability of resources to meet demand in more than just the peak hour of a day. It is recognized that for periods of time longer than a day, Ontario can experience sustained high temperature conditions, which present sustained high electricity demands. While these resulting demands may not be continually extreme, the situation can present a challenge to maintaining reliability. The concept of a challenging weekly period of time was discussed, with the intent of performing an assessment of the extent to which a supply-demand balance can be maintained over a weekly time period.

Using Water Earlier in the Year, vs. Using Water Later in the Year

It was identified that some hydroelectric resources are energy limited, and water levels may be drawn down over the summer months, to varying degrees, depending on market prices. The extent to which hydro resources are dispatched earlier in the summer months could impact the availability to dispatch the same resources later in the summer. Theoretically, under extreme conditions, the water could be used up early in the year, and there could be significantly less resources available later in the year. The question was posed of “Who is going to say, hold that water until later, because it may be needed later?” It would appear that market participants are driven by economics, and will provide whatever offers to sell hydro sourced electricity, in price-quantity pairs, in such a way to maximize their revenues. The Ontario market Dispatch Scheduling Optimization (DSO) dispatching tool will schedule whatever resources are appropriate based on the optimization algorithm. The extent to which hydro resource availability decreases during the year, either in maximum capability, or in energy capability, should be reflected by market participants in subsequent submissions to the 18-Month Outlook process.

Extreme Weather Resource Availability

It was identified that, under extreme weather conditions, the capability of certain resources to maintain output capability is reduced. One member suggested that this can be reflected in the EFORs that are submitted by market participants on Form 1230. The extent to which market participants reflect any seasonally correlated reduction in capability, is not clear. To the extent that hotter ambient temperatures impact the EFOR of units, would be reflected in higher EFOR values when there are higher ambient temperatures. It is observed that some market participants provide different maximum rating values for different months, and there are lower maximum values submitted for hotter months.

It was reported that the next 18-Month Outlook will reflect some expected reduction to resource capability due to extreme weather.

Item #3 : Other Items

The next 18-Month Outlook is scheduled for publication before the end of the year. It is possible that the full Outlook report may not be published before January, in which case an Interim Update to the 18-Month Outlook would be published in December.

Item #5: Next Meeting:

Previous arrangements have identified a meeting to take place on January 18, 2006.

Further meetings for 2006 are now scheduled for:

Apr 20, 2006

July 19, 2006

Oct 18, 2006

As previously established, all FASC meetings will be held at CSCC.