

Minutes of the January 18, 2006 Meeting of the Forecasts and Assessments Standing-Committee

January 18, 2006 1:15 pm to 4:15 pm
Clarkson System Control Centre, Room 216

Attendees:

Craig Lemon Union Gas
Greg Hine IESO
Joe Fehervari OPG
Ben Li IESO
Jessica Savage IESO

Phone-Ins:

Dave Abbott Bruce Power
BunLi Yang E4

Item #1: Review of minutes: Meeting December 20, 2005

No comments were received by e-mail prior to the meeting. One member commented during the meeting that they thought the minutes reflected a good summary of the meeting. These minutes will be posted as final on the FASC web-page.

Action Item: December 20, 2005 minutes will be issued as final.

Item #2: Presentation of 2005Q4 Outlook

IESO presented an overview of the 2005Q4 Outlook. This presentation will be posted on the IESO website, under FASC materials.

Item #3: Proposed Future Reliability Assessments

IESO is developing a new reliability report, titled the Ontario Reliability Outlook, which would cover a timeframe of five years into the future, or the coal replacement transition period, whichever timeframe is longer. The first Ontario Reliability Outlook is planned for publication on January 19, 2006. IESO will publish these Outlooks twice annually, in June and in December. This report replaces the 10-Year Outlook.

To align with the Ontario Reliability Outlook the publishing schedule for the 18-Month Outlooks is now proposed as follows:

For 2006:

March 20, 2006
June 20, 2006
September 1, 2006
December 1, 2006

For 2007 and future years:

March 1, 2007

June 1, 2007
September 1, 2007
December 1, 2007

This would require some changes to the timing of market participant input submissions, as per the applicable Market Manual.

Item #4: Discussion of Reserve Above Requirement [All]

Hydroelectric Peaking Capability (sustainable for more than one hour)

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. 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.

One approach to this issue is to perform a resource adequacy assessment using a resource availability values that is based on resources being able to maintain their capability for more than one hour of the day. For example, Form 1230 could require market participants to identify each resources ability to sustain output for 4 hours per day. To consider different timeframes of the year, when different load shapes require different sustainability, it may be appropriate to collect data for different sustainability timeframes. The IESO requested, and one market participant offered, to provide information related to the sustainable output levels from their hydroelectric facilities for study purposes only.

It was identified that it may be helpful to have some background information to identify the degree to which primary demand is sustained at relatively high levels for winter versus summer periods of the year.

Demand Forecast Normalization Periods

The methodology document that describes the preparation of normal weather demand forecasts identifies that the demand forecast can be based on weekly, monthly or seasonal normalization periods. For each different forecast, a peak demand and a load forecast uncertainty value can be different. In general, the weekly normalization technique produces a demand forecast value that is lower than the monthly normalization technique.

The weekly normalization technique identifies the demand level, for a specific week ending period, that has a 50-50 chance of being exceeded in the specific week of concern. The monthly normalization technique identifies the demand level, for a specific calendar month, that has a 50-50 chance of being exceeded in the specific calendar month. For each of these demand forecasts, there would be a different calculation and different value for load forecast uncertainty.

The seasonal normalization technique identifies the demand level, for a specific season (winter or summer), that has a 50-50 chance of being exceeded in the specific (winter or summer) season. Depending on which normalization technique is used there may be different RAR values that result. The difference is not obvious without performing all calculations that are associated with running the L&C tool.

Reserve Requirement Expressed as a Percentage of Peak Demand

Ontario must meet the NPCC design criteria for resource adequacy. Ontario must demonstrate that the loss of load expectation [LOLE] of disconnecting firm load due to resource deficiencies shall be, on average, no more than 0.1 day per year. Typically, the MARS program is used as the benchmarking tool that will identify the extent to which Ontario can meet this LOLE criteria. When using L&C, on a weekly basis, a weekly resource requirement can be established, such that the LOLE criteria can be met. This weekly requirement has been based on a levelized risk calculation that is performed for each week, based on each weeks capacity on outage probability table (COPT) and each weeks load forecast uncertainty (LFU). Some jurisdictions use a benchmarking methodology that establishes and expresses the reserve requirement as a percentage above peak demand. This percentage can be calculated at the peak hour for the calendar year and maintained for all weekly peak periods. For example, the methodology may identify that it is necessary to carry reserve of 18% above the demand forecast level at the time of peak demand. IESO is considering establishing and expressing the reserve requirement

based on the established percentage reserve requirement. This established percentage could be applied to each week of the study period.

Concerns were expressed that if reserve requirements are higher than present requirements, market participants would have greater challenges in scheduling generator planned outages. The concern is that if generation cannot be scheduled on planned outage, there may be higher levels of forced outages for the generators.

Extreme Weather Resource Capability/Requirement

It was identified that, under extreme weather conditions that are typical for peak demand periods, the capability of certain resources to maintain output capability is reduced. It is possible to reflect this in a different monthly EFOR and/or a different monthly MCR or maximum capability.

It may be useful to identify a resource capability under a specific set of extreme weather conditions, which would include air temperature and humidity, water temperature, wind conditions or other weather conditions that are considered extreme from a resource capability perspective. Additional information could be collected from market participants via a revised Form 1230. Further discussion on this topic is suggested.

Item #5 : Other Items

No other items were discussed.

Item #6: Next Meeting:

Previous arrangements have identified meeting to take place on the following dates:

Thursday, Apr. 20, 2006

Wednesday, July 19, 2006

Wednesday, Oct. 18, 2006

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