

Notes from the October 18, 2006 Forecasts and Assessments Standing Committee Meeting

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

Attendees:

Name	Company
Fayyaz Akram	Hydro One
Peter Gruttke	Ontario Power Generation
Greg Hine	IESO
Craig Lemon	Union Gas
Ben Li (via teleconference)	IESO
Chun Hung Ngai	Toronto Hydro
Jessica Savage	IESO

Agenda Item 1: Review of previous meeting notes - July 12, 2006

- A few minor editorial changes were suggested. The revised meeting notes will be posted as final on the FASC webpage.
- A member inquired if the IESO tracks the number of “hits” on the FASC meeting minutes that are posted on the IESO website. IESO staff indicated that the IESO only tracks the number of hits on select publications (e.g. Ontario Reliability Outlook).

Agenda Item 2: Review of outstanding action items

- IESO staff noted the following regarding outstanding action items:
 - The next Outlook will include a statement about Lennox Generating Station.
 - The request for the IESO to establish a service that provides market information updates to handheld wireless devices was communicated to IESO Customer Relations.
- A member reiterated the need for consistency between the OPA’s and IESO’s assumptions about expected in-service dates for new projects.
- A member asked how many years will be covered in the next Ontario Reliability Outlook (ORO) if there is no coal replacement plan. IESO staff indicated that the study period for the next ORO is unknown at this time.

Agenda Item 3: 2006 Q3 18-Month Outlook

IESO staff presented an overview of the 2006 Q3 18-Month Outlook that was published on September 25, 2006. The following comments were made during the discussion that followed:

- A member inquired why there is an increase in energy demand in 2007 compared to 2006 when we've seen a decrease in demand in recent history. IESO staff indicated that the forecast models were updated to include experience through June 2006. The weakness in demand observed during the past three months should be reflected in the next Outlook.
- A member suggested that the Outlook table showing existing installed generation resources by fuel type (Table 5.1) should include a column that shows the capacity contribution at the time of the annual peak.
- In response to a question about the impact of a change in installed resources on the reserve margin, IESO staff indicated that such a change has no impact because the reserve margin is based on available resources, not installed resources.
- IESO staff mentioned receipt of a written request for Outlooks to indicate the status of new projects or changes to existing facilities that were identified in the previous Outlook (refer to Table 5.2). Currently, there is a disconnect between forecasted and actual in-service dates. Future Outlooks will report on facilities that have come into service dates or that were cancelled.
- In response to a question about interconnection support assumptions, IESO staff indicated that imports are not considered in the Outlook because they are not firm transactions.
- A member asserted that assumptions about interconnection support should be consistent across all of the IESO's adequacy assessments.
- IESO staff solicited comments on the relevance of the Existing Resource Scenario (ERS) in the Outlook. The current ERS assumes that none of the projects that are expected to come into service within the 18-Month Outlook period materialize. Given the number of new projects that are being planned, a member indicated that the current assumption is too conservative. A preferred alternative would be to include projects that are expected to be in service within the first three months of the Outlook study period.

Agenda Item 4: Outage approval process for hydro generators

IESO staff proposed a method for re-establishing a link between hydroelectric outages and the new hydro capability forecast methodology that is based on historical production values. The following comments were made during the discussion that followed:

- Historical outage information based on data aggregated by river system would be sufficient to complete the analysis (i.e. unit specific information isn't needed).
- The OPG representative indicated that a discussion paper of the proposed methodology would be helpful. IESO staff committed to work with the hydroelectric experts at OPG to develop such a paper.
- A member suggested that the impact of a low water year should be considered.

Agenda Item 5: Quantification of Conservation and Demand Response (CDM)

- All members agreed that a method for quantifying CDM needs to be developed.
- A member also suggested that the IESO should be reporting on progress of CDM initiatives. IESO staff noted that the OPA is seeking stakeholder feedback on its approach to CDM, including measurement and verification.

Agenda Item 6: Stakeholder session on intermittent sources (wind)

- IESO staff provided a brief summary of ongoing activities regarding wind power, including:
 - A study conducted by GE Energy to assess the implications of large scale wind integration in Ontario, expected to be published at the end of October; and
 - The formation of a Wind Integration Working Group with the first meeting expected to be scheduled for mid-November (refer to Stakeholder Engagement Plan SE-29).
- FASC members interested in participating in the Wind Integration Working Group were asked to contact IESO Stakeholder Engagement.

Agenda Item 7: Discussion of terms of Reference

- Several changes were suggested to the draft terms of reference that was presented at the July 12 FASC meeting. The revised draft will be posted on the FASC website.
- IESO staff also solicited comments about the current format of the FASC meetings with respect to the number of meetings, the need for face-to-face sessions, etc. (This inquiry was prompted by the cancellation of the Market Operations Standing Committee (MOSC). Stakeholders indicated that the purpose of the MOSC was now being achieved through the new stakeholder engagement process.)
- A member noted that the FASC is not represented at the Stakeholder Advisory Committee and that the FASC is a good forum for discussion about how Ontario is doing relative to the Ontario Power Authority's plan.
- Several members indicated that face-to-face sessions are preferred.

Agenda Item 8: Next Meetings

- The next meeting previously scheduled for December 12, 2006 has been rescheduled for January 17, 2007.
- Proposed schedule of remaining meetings in 2007:
 - March 21
 - June 20
 - September 19