

Improving Accessibility of Operating Reserve

Stakeholder Feedback & IESO Response from July 31 Webinar

Following the July 31 Improving Accessibility of Operating Reserve engagement webinar, the IESO invited stakeholders to provide comments and feedback on the material discussed by August 15.

The IESO received feedback from:

- Capital Power
- Gerdau
- Northland Power
- Ontario Power Generation

This feedback is posted on the dedicated stakeholder engagement webpage which can be found here: <http://www.ieso.ca/Sector-Participants/Engagement-Initiatives/Engagements/Improving-Accessibility-of-Operating-Reserve>

Note on stakeholder feedback and IESO response summary

The IESO appreciates the feedback received from stakeholders and will take this feedback into consideration in the next stages of this engagement. The IESO has provided a summary table below, which outlines general feedback or questions for which an IESO response could be provided at this time.

Stakeholder feedback and IESO responses

No.	Theme	Stakeholder Feedback	IESO Response
1.	Solution options	Stakeholders expressed general support for Option #1 with requests for additional clarity and revision.	Further details on the proposed solution recommended by the IESO will be provided in the next meeting/webinar.
2.	Evaluation criteria	<p>Stakeholders expressed support for the proposed evaluation criteria and provided various feedback and suggestions:</p> <ol style="list-style-type: none"> 1. Different technologies, their capabilities, impact of ambient conditions and their response to operating reserve activations (ORAs) should be considered 2. Benchmark ORA response against other jurisdictions considering cost, performance and reliability 3. Demonstrate benefits and drawbacks of each option, including impact to the supplier, IESO grid and ratepayer 	<ol style="list-style-type: none"> 1. The evaluation criteria proposed are intended to assess the proposed solutions to the issue of inaccessible operating reserve (OR). The ability of a resource to deliver OR must be managed by OR providers. 2. The IESO’s priority, through this stakeholder engagement, is to address the issue of not being able to fully access the OR it is procuring. A jurisdictional comparison of ORA response is not within the scope of the evaluation of potential solutions to this issue. 3. All of the proposed options will be assessed using the evaluation framework which will cover the benefits and challenges of each option. Details on the evaluation of each option will be presented in the next stakeholder engagement session.

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3.	Claw-back process	<p>Stakeholders had various recommendations for how the claw-back should be triggered and applied including:</p> <ul style="list-style-type: none"> • Limiting the claw-back to just the applicable activation period that was not met • Implement claw-backs for ORAs only • The claw-back should be based on the difference between what was dispatched and what was provided • Claw-back should not be applied if activation is met through additional/spare capacity above their stated maximum capability 	<p>The IESO has taken these comments into consideration and will present a proposal related to the claw-back process at the next stakeholder engagement session.</p>
4.	Compliance	<p>Stakeholders provided feedback on various aspects related to compliance with the proposed solutions including:</p> <ol style="list-style-type: none"> 1. Recommendations to tighten the compliance deadband and updates to Interpretation Bulletins and Market Manuals 2. To assess compliance on percentage of compliance and not just a pass/fail assessment 3. Compliance aggregation 	<ol style="list-style-type: none"> 1. A review of the compliance deadband and any required changes to applicable Interpretation Bulletins or Market Manuals are not within the scope of this stakeholder engagement. For updates related to these documents, please subscribe to the IESO Bulletin and continue to check the IESO website. 2. Details on how to measure compliance in relation to the proposed solution will be communicated at the next stakeholder engagement session.

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			<p>3. The IESO is not looking to make any changes to compliance aggregation as it relates to this issue.</p>
5.	Potential impact to OR participation	Stakeholders expressed concern about the potential for the proposed solutions to deter providers from participating in the OR market.	The IESO's priority, through this stakeholder engagement, is to address the issue of not being able to fully access the OR it is procuring. By addressing this issue, the IESO seeks to ensure cost-effective and reliable operation of the IESO-controlled grid.
6.	Uncontrollable factors preventing a resource from responding to an ORA	<p>Stakeholders provided feedback on factors that should be considered when determining claw-back and whether a resource is compliant:</p> <ul style="list-style-type: none"> • Resource is providing grid frequency or other services and cannot respond to an ORA • Force majeure events • Unforeseen mechanical issues • IESO tool limitations 	<p>The proposed claw-back calculation is designed to claw-back the portion of the OR payment when the service is scheduled but cannot be accessed by the IESO when needed.</p> <p>For any factors that are outside of the participant's control, the claw-back may still apply for any OR that cannot be provided.</p>
7.	Other	<ol style="list-style-type: none"> 1. The selected solution should be equally applied to all technologies and resource types (generators, dispatchable loads, demand response, etc.) 2. Market participants should be 	<ol style="list-style-type: none"> 1. The selected solution will be applied in the same manner to all OR providers and will not differ based on individual resource or technology characteristics. 2. Market Participants will be allowed to submit NODs to any claw-back applied

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		<p>allowed to submit Notices of Disagreement (NODs) on claw-backs</p> <p>3. Market rule exemptions should be discussed further with individual market participants</p> <p>4. Selected solution and any associated tool changes should align with the Market Renewal Program (MRP)</p> <p>5. Loads should have same ability as generators to de-rate in real-time</p> <p>6. Consider the resources' injection/withdrawal amount just prior to ORA</p>	<p>under the proposed design.</p> <p>3. The IESO is open to having further discussions about the impact the final solution may have on individual market participants with market rule exemptions.</p> <p>4. Alignment with the MRP design is an important consideration in selecting a recommended solution.</p> <p>5. All options will be evaluated using the proposed evaluation framework to determine an appropriate solution. The <i>Enhancing OR Scheduling & Dispatching</i> option includes potential to allow dispatchable loads to de-rate in real-time.</p> <p>6. Details on how to measure compliance in relation to the proposed solution will be communicated at the next stakeholder engagement session.</p>

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