

# Improving Accessibility of Operating Reserve (OR) – Proposed Solutions and Evaluation Framework Feedback Form

Presented July 31, 2019

<b>Date Submitted:</b> <i>2019/08/20</i>	<b>Feedback Provided By:</b> Contact Name: Jin Kim Organization: Ontario Power Generation
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Thank you for attending the Improving Accessibility of OR webinar on July 31, 2019.

The presentation focused on:

- Reviewing stakeholder feedback from the previous webinar
- Presenting and seeking stakeholder feedback on proposed solutions to the issue of inaccessible OR
- Presenting and seeking stakeholder feedback on the proposed framework for evaluating the proposed solutions

Please share your feedback into the form by **Thursday, August 15, 2019** and email as an attachment to [engagement@ieso.ca](mailto:engagement@ieso.ca).

Please use the email subject header: *Improving Accessibility of OR Stakeholder Engagement Meeting 2 Feedback*.

## Improving Accessibility of OR – Proposed Solutions and Evaluation Framework - Feedback Form

<p><b>Proposed Solutions</b></p> <p>Option 1 – Market Rule amendments</p> <p>Option 2 – Modify operating reserve activation (ORA) dispatch signal</p> <p>Option 3 – Enhancing OR scheduling and dispatching</p>	
<b>Questions</b>	<b>Feedback</b>
Are there any other options the IESO should consider? Please provide context along with your comments	
<p><b>Proposed Framework for Evaluating the Proposed Solutions</b></p>	
<b>Questions</b>	<b>Feedback</b>
Is there any other evaluation criterion that the IESO should consider?	<p>How would the IESO apply compliance aggregation on Options 1, 2 and 3 examples? Does the capacity, energy schedule, OR schedule, Output/Consumption, ORA dispatch for individual resources all sum up together or is it applied to the individual resource if they are under compliance aggregation?</p> <p>The selected solution should be equally applied to all technologies and resource types (generators, dispatchable loads, demand response etc.).</p> <p>For all proposed solutions, the OR payment clawback for generators should only apply if maximum capability of the resource – resource output – OR scheduled is less than zero (slide 19). In other words, clawbacks should not apply if the scheduled OR is achievable through spare capacity.</p> <p>As there may be a justification for non compliance with an ORA (e.g. SEAL reasons) or in operating at a different level, with all clawbacks, OPG believes that participants should have the ability to submit Notice of Disagreement (NoD) for clawbacks based on extraneous circumstances or outside of participant’s control actions.</p>

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<p>Is there any evaluation criterion that is not appropriate to evaluate these solutions?</p>	<p>OPG does not support the IESO in implementing Option 3 (reasons are stated in General Comments/Feedback section below). If Option 3 is implemented, the following modification is suggested. Instead of always reducing the OR schedule by compliance deadband from where the unit is operating, OPG suggests that the OR schedule should only be reduced by compliance deadband if existing Energy schedule + OR schedule + Compliance Deadband is equal or greater than the maximum capacity.</p> <p>Option 3 modified example for generators:</p> <table border="1" data-bbox="680 526 1929 808"> <thead> <tr> <th>Max Capacity</th> <th>Energy Schedule</th> <th>Output at time of Activation</th> <th>Compliance Deadband</th> <th>Existing OR Schedule</th> <th>Existing ORA Dispatch Target</th> <th>Proposed OR Schedule</th> <th>Proposed ORA Dispatch Target</th> </tr> </thead> <tbody> <tr> <td>150</td> <td>100</td> <td>110</td> <td>±15</td> <td>50</td> <td>150</td> <td>35</td> <td>145</td> </tr> <tr> <td>150</td> <td>100</td> <td>115</td> <td>±15</td> <td>50</td> <td>150</td> <td>35</td> <td>150</td> </tr> <tr> <td>180</td> <td>100</td> <td>110</td> <td>±15</td> <td>50</td> <td>150</td> <td>50</td> <td>160</td> </tr> </tbody> </table>	Max Capacity	Energy Schedule	Output at time of Activation	Compliance Deadband	Existing OR Schedule	Existing ORA Dispatch Target	Proposed OR Schedule	Proposed ORA Dispatch Target	150	100	110	±15	50	150	35	145	150	100	115	±15	50	150	35	150	180	100	110	±15	50	150	50	160
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**General Comments/Feedback:**

OPG supports the IESO plan (slide 32) to measure the three options against the proposed set of evaluation criteria and we look forward to IESO reporting on the benefits and drawbacks of each option, including the impact to the supplier, the IESO grid and the ratepayer.

Initially, OPG supports Option 1 and Option 2. In line with the IESO, OPG believes that Option 1 and Option 2 will drive efficient market behaviour and reduce the risk of inaccessible OR. We believe Option 2 will provide more clarity to the market participants under the current situation where the ORA dispatch target is equal or less than the Actual Output.

OPG does not support the IESO in implementing Option 3. OPG believes that implementing Option 3 will result in:

- Inefficient market behaviour by restricting the amount of available OR.
- Significantly lower levels of OR available and higher OR prices, given the large number of resources (including many hydro-electric stations) that currently provide OR without utilizing the compliance deadband for energy.

Thank you for your feedback.