

Single Schedule Market – Stakeholder Engagement Session

March 29, 2018

Minutes of Meeting

Date held: March 29, 2018	Time held: 12:00pm - 4:00pm	Location: Four Points Hotel, Toronto International Airport
Company	Name	Attendance Status (A) Attended; (WebEx) Attended via WebEx; (TC) Attended via teleconference
ADG Group Inc.	Cai, David	A
AMP Solar Group	Luukkonen, Paul	A
AMPCO	Anderson, Colin	A
APPrO	Butters, David	A
Bruce Power	Dalzell, Pat	A
Bruce Power	Xu, Jennifer	A
Capital Power	Robb, Colin	WebEx
Centre Lane Trading Ltd.	Nikkel, Jonathan	A
Customized Energy Solutions	Withrow, David	WebEx
Emera Energy	Maddison, Michel	A
Enbridge	Kemp, Heather	WebEx
ENGIE Canada Inc.	Sanderson, Hope	A
Goreway Power Station	Sutherland, Christopher	A
HQEM	Belanger, Frederic	WebEx
IVACO	Abdelnour, Francois	A
MAG Energy	Bordeleau, Patricia	WebEx
MAG Energy	Villeneuve, Alexandre	WebEx
Market Surveillance Panel	Shalaby, Amir	WebEx
Market Surveillance Panel	Deweese, Don	A
Ministry of Energy	Qureshi, Musab	A
Nexus Energy	Tardif, Francois	WebEx
Northland Power Inc.	Samant, Sushil	A
NRG	Popova, Julia	WebEx
Ontario Citizens' Coalition for Clean Affordable Energy	Fortin, Michel	A
Ontario Power Generation	Harrison, Ken	A

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Ontario Power Generation	Mo, Herman	A
Ontario Power Generation	Wizniak, Lynn	A
OWA	Norris, Paul	WebEx
Power Advisory LLC	Lusney, Travis	WebEx
Power Consumer	Jagt, Mandy	A
Powerful Solutions	Inman, Peter	A
TransCanada	Vasquez, Nora	TC
TransCanada Energy	Kuntz, Margaret	A
TransCanada Energy	Van Norman, Tom	A
TransCanada Energy Ltd.	Vasquez, Noralyn	WebEx
Wasser Resources Inc.	Wasser, Leon	A
Workbench Corp	Oake, Darryl	WebEx
Workbench Corp.	Sears, Heather	A
WPD Canada	Long, Jesse	A
FTI	Harvey, Scott	A
FTI	Pope, Susan	A
IESO	Matsugu, Darren	A
IESO	Umeike, Ekene	A
IESO	Backman, Karen	A
IESO	Kula, Leonard	A
IESO	Kamstra, Pat	A
IESO	Doyle, Robert	A
IESO	Scratch, Jonathan	A
Prepared by Ekene Umeike, please report any corrections, additions or deletions e-mail to engagement@ieso.ca		

All meeting materials are available on the IESO web site at: <http://www.ieso.ca/en/sector-participants/market-renewal/market-renewal-single-schedule-market>

Introduction, Review of Meeting Objectives – Robert Doyle, IESO

The IESO welcomed participants and introduced the session's presenter – Jonathan Scratch.

Review of Meeting Agenda and Objectives - Jonathan Scratch, IESO

The IESO outlined the day's agenda and objectives and reviewed the work plan for Single Schedule Market stakeholdering.

Design Element Discussion - Jonathan Scratch, IESO

The IESO led stakeholders through a discussion of Constraint Violations and Out of Market Operator Actions as well as the preliminary decisions that have been taken in relation to the two design elements.

Referring to the example of how penalty prices for reliability constraints violations will be determined on slide 21 of the presentation, a participant asked the IESO to explain what the curves labelled 3 and 2 represent.

The IESO explained that when a constraint violation occurs that is directly tied to a reliability standard, there will be a dispatch schedule (represented by curve 3) and a pricing schedule (represented by curve 2) and under the conditions depicted in the example, pricing will not align with dispatch. The IESO added that the mismatch will be allowed because the objective of the dispatch is to get to the most reliable outcome possible. However, settlement prices need not be set at high levels when the magnitude of the constraint violation is relatively minor.

A participant asked where existing penalty prices come from and how consistent they are with levels in other jurisdictions.

The IESO explained that existing penalty levels were set to signal preferences between different levels of reliability and to enable software to manage the optimization process more smoothly rather than with the expectation that they would be used to set price in the market.

FTI added that other jurisdictions had followed a similar approach in the past. However, there have been efforts to rethink penalty levels in other areas. The objective is to set the penalty levels at a point where they still send the right signals to the optimization software but are not so high that they are inconsistent with the severity of the incident and so can actually be allowed to influence prices.

Given that penalty levels were set to signal preferences to the optimization software, a participant asked whether resources actually ever see that signal.

FTI explained that before ISO markets were created, dispatch penalty prices didn't really matter to individual resources, however, they can now matter as they are set at levels that can influence prices. While participants may not always pay the dispatch penalty price, market prices associated with constraint violations are chosen carefully in order to properly signal the extent of the violation to suppliers and consumers.

A participant asked what happens, in the current market, if any of the reliability constraints are violated.

Using operating reserves as an example, the IESO explained that if there is a shortage, the dispatch sequence will try to resolve the violation with whatever resources are available to it. However, in the pricing sequence specific penalty price rules are applied and set price.

A participant asked whether the penalty pricing method for non-reliability constraints that the IESO proposed will apply only at intertie zones or in all zones.

The IESO explained that this will apply only at intertie zones.

The IESO thanked participants and reiterated feedback is appreciated and should be sent to: engagement@ieso.ca.

The next SSM meeting is scheduled for May 24, 2018.