

## Minutes of Meeting EDAC - Settlements Design Working Group

<b>Date held:</b> June 24, 2009	<b>Time held:</b> 8:00 pm to 13:30 pm	<b>Location:</b> Webcast
<b>Invited/Attended</b>	<b>Company Name</b>	<b>Attendance Status</b> (A)ttended; (R)egrets; (S)ubstitute; (W) Web cast
McLeod, Ron	Abitibi Bowater	R
Hopping, Uschi	Aquilon Power Corporation	W
Jain, Anshul	Aquilon Power Corporation	R
Cormier, Pascal	Brookfield Power	R
Selesse, Stephanie	Brookfield Power	W
Maguire, Mylene	Brookfield Power	R
Forsyth, Dave	Gerdau AmeriSteel Corporation	R
Lin, Jane	Greater Toronto Airports Authority	R
Iwami, Yoshitoshi	Greenfield Energy Centre	R
Turner, Drew	Greenfield Energy Centre	R
Richard Penn	Greenfield Energy Centre	A
John Windsor	Greenfield Energy Centre	R
Abdelnour, Francois	Ivaco Rolling Mills	R
Romanish, Orest	Northland Power Incorporated	W
Ather, Naveed	Ontario Power Generation	R
Peterson, David	Ontario Power Generation	W
Rilling, Mike (IT)	Ontario Power Generation	A
Walker, Phil	Ontario Power Generation	A
Kerr, Paul	Shell Energy	W
Shane Harwood	Sithe Global	R
Kraayenbrink, Ron	St. Clair Energy	R
Heaton, Randy	TransCanada Energy	W
Kuntz, Margaret	TransCanada Energy	W
Palmberg, Kirsten	TransCanada Energy	W
Briggs, Jeannette	IESO	A
Navneet Singh	IESO	A
Miller, Al	IESO	A
NG, Hok	IESO	A
Springgay, Guy	IESO	R

The meeting minutes when finalized will be posted on the IESO web site at:  
[http://www.ieso.ca/imoweb/consult/consult\\_se73.asp](http://www.ieso.ca/imoweb/consult/consult_se73.asp)

## **Summary of Meeting Discussion**

### **Item 1 Welcome and Agenda**

Al Miller welcomed the members to the EDAC Settlements Design Working Group Webcast and took a roll call of attendees. This was followed by a review of the draft meeting agenda. No changes were made to the agenda.

The draft minutes of the June 4<sup>th</sup> Settlements Design Working Group meeting were posted as draft on June 16 for a one week comment period. No comments were received and the minutes will be reposted as final.

### **Item 2 Review of Action Items**

June 4 – Action 10- A Participant to provide IESO with the details of the query (re TLRi exemptions).

No feedback has been received from the Participant to date, and the action will be closed. The IESO will review the details when provided.

June 4 – Action 11 – IESO is to review failure charge where it pertains to incenting units to remain in service during over supply situations. Specifically, is there a way to release Market Participants from their day-ahead constraints without a withdraw charge during over supply situations and allow them to keep the DA-PCG where the generator supplied energy.

The IESO has performed a review of the request. The IESO has rules for dealing with the scenario under de-commitment for reliability, but has not found criteria that would allow the IESO to release units from their constraints on an economic basis that is transparent to the market, impartial and predictable to Market Participants on the basis of market signals. The IESO also suggested that there is design work being performed for dispatching down generation during low level demand through SE-57 and will monitor progress.

One Participant noted that the action should also include the ability to have any withdrawal charges waived based on the conditions at the time of the request, as the participant is exposed to changing conditions that could affect price after the withdrawal. As for the impartiality, the

participant noted that the process would be on a first come first serve basis based on request time.

The IESO reiterated that the withdrawal process could be reconsidered if participants could identify criteria for waiving the withdrawal charge and paying a partial payment of the DA-PCG that is both transparent to the market and predictable to Market Participants. That said, the IESO is working to finalize business requirements and needs this feedback reasonably soon. The participant noted that they will supply criteria by close of business July 3, 2009.

### **Item 3 Supporting Settlement Cycles**

Navneet Singh gave an overview of settlement charge type equations that would be referred to in the presentation.

The review of settlement statement details were then reviewed on a charge type basis. The following only highlights those settlement statements where Participant raised questions or concerns.

#### **DA-PCG Settlements Statements**

One participant noted that it would be preferable to have all the details associated with the statement in one place and not have to refer to the data file to put the complete picture together. Another noted that while this may be desirable, it would likely require a complete rebuild of their settlements system. The IESO agreed that this would require rebuild of the IESO settlement system which is outside the scope of the EDAC project.

It was noted by one participant that the OR pricing on the data files will need to be updated.

Another participant questioned why the OR associated with Component 4 is using the unconstrained value in the Real-time comparison. The IESO noted that constrained values between Day-ahead and Real-time will cancel each other out. A detailed explanation is contained in a discussion paper on the subject and the IESO will provide a link to the document in the minutes.

***Editorial Note:** The discussion paper can be found at: <https://portal.ieso.ca> – Stakeholder Engagement/Settlement Design Working Group/May 13 Meeting Material /Net Operating Reserve Calculation*

Specific to CT1502 (Component 2), one participant noted that the inclusion of prices is unnecessary. The prices necessary to reconstruct the file can only be obtained from the data file.

Specific to CT 1505 (Component 5), it was noted that while the settlement statement can include the start up interval and the value of MLP, the data file must include these quantities as well.

It was also noted that should there be multiple starts in a day, there would be additional line items in the statement.

Specific to CT1502 (Component 1 Clawback for day 2 MLP), it was questioned what MLP in Day 2 would be used in the calculation. It was noted by the IESO the MLP values used by the EDAC engine for day 2 scheduling will be used for the purposes of settling the DA-PCG calculations.

It was also noted that the data file needs to include the number of MGBRT hours applied to day 2 for CT 1506 and CT 1507.

Specific to CT1508 (DA-PCG reversal), it was noted that the CT is on a per start basis, not a daily total.

### **Day-ahead IOG Settlements Statements**

For the IOG charge types, lines 17 (intertie metering point ID) and 18(intertie metering point zone) needs to be included to identify the zonal ID's based on tie point.

### **Generator Withdrawal Charges Settlements Statement**

One participant questioned how the IESO will collect the data associated with the timing of the withdrawal. The IESO noted that it is currently envisioned to be collected from the IESO Control Room Logs.

It was noted that the Generator Withdrawal Charge formula in the accompanying presentation needs to show the netting of the hours.

### **Settlements Statements associated with Failed Intertie Transactions**

It was noted that the footnotes need to be updated to indicate that the Predispatch Constrained schedules will be used, not Real-time Constrained Schedules.

One participant requested clarification on how the failure charges are calculated (i.e. is it calculated in advance of the settlements statement or is there charge that is subsequently reversed). It was confirmed by the IESO that the charges are calculated in advance. It was also noted that the details for lines 17 (intertie metering point ID) and 18 (intertie metering point zone) needs to be included in all intertie failure CTs except the uplift charge.

A participant asked if the “bona fide” failure reasons currently in use for intertie transactions, still apply? The IESO responded that yes they still apply.

**Item 4      Wrap-up**

There were no new Actions raised at the meeting. Participants were again asked whether there were any outstanding issues that were not covered to date in the Settlements DWG sessions. No new or outstanding issues were brought forth by any participants.

<b>Action Item Summary</b>				
<b>#</b>	<b>Date</b>	<b>Action</b>	<b>Status</b>	<b>Comments</b>
1	April 21, 2009	IESO to review the treatment of changing offers from a positive day-ahead to a negative in real-time on the PCG calculation.	Closed at May 13 Settlements DWG Meeting	Guarantee calculation is capped at zero
2	April 21, 2009	IESO to post the detailed net OR revenue calculation for Component 4.	Closed	Material posted May 7
3	April 21, 2009	Participants to identify the rationale for ordering from 30 Minute Non Spin to 10 Minute Spin.	Closed at May 13 Settlements DWG Meeting	Ordering of claw back revised to consider 30 minute Reserve to 10 minute Non-Spin to 10 minute Spin.
4	April 21, 2009	IESO to publish the detailed Offer example shown that was a subsidiary to the presentation.	Closed	Material posted May 7

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#	Date	Action	Status	Comments
5	April 21, 2009	IESO to publish the treatment of start up costs that occur in Hour ending 1.	Closed	Material posted May 7
6	April 21, 2009	IESO to publish how the SNL and incremental energy will be excluded from the DA-PCG settlement calculation when EDAC schedule relates to the remaining MGBRT of a start at the end of the previous day.	Closed	Treatment described to participant and posted in a discussion paper published May 7
7	April 21, 2009	IESO to consider alternative methods of establishing the compliance to be at MLP. May 13 – Remained open following this meeting for further review of prorating and to summarize treatment of guarantee eligibility. May 27 - Editorial notes summarize the review and separate document summarizing treatments across other guarantee programs. June 4 - Further discussions and revisions were put forward in a paper posted with the June 4 Meeting materials.	Closed	Paper posted describes eligibility changes accepted as noted in the June 4 Meeting Minutes
8	April 21, 2009	IESO to develop a specific Question for the real-time pricing issue.	Closed	Determined to be a real-time issue
9	June 4, 2009	IESO to review the formulation of withdrawal charge in slides.	Closed	Closed as per editorial note included in the Meeting Minutes
10	June 4, 2009	A Participant to provide IESO with the details of the query (re TLRi exemptions).	Closed	MP will provide information at some time in the

Action Item Summary				
#	Date	Action	Status	Comments
				future
11	June 4, 2009	IESO to review failure charge where it pertains to incenting units to remain in service during over supply situations, and keep the DA-PCG where the generator supplied energy.	Closed	IESO was not able to find criteria that when applied is transparent and predictable. Participants given to Jul 3 to provide criteria.
12	June 4, 2009	IESO to review potential of applying the netting affect to the calculation of a Withdrawal Charge.	Closed	Closed as per editorial note included in the Meeting Minutes
13	June 4, 2009	The IESO to review values used in the determination of congestion.	Closed	Closed as per editorial note included in the Meeting Minutes
14	June 4, 2009	The IESO to revise the calendar and send out notice of changes to Design Working group members.	Closed	Closed as per editorial note included in the Meeting Minutes