

July 6, 2009

Independent Electricity System Operator
Station A, Box 4474
Toronto, Ontario
M5W 4E5

Attention: Maia Chase, Stakeholder Engagement

Re: Comments Centralized Forecasting, Management of Minimum Load Conditions and Review of Standards Requirements to Meet Potential Policy Changes

The Power Workers' Union ("PWU") represents a large portion of the employees working in Ontario's electricity industry. Attached please find a list of PWU employers.

The PWU is committed to participating in regulatory consultations and proceedings to contribute to the development of regulatory direction and policy that ensures ongoing service quality, reliability and safety at a reasonable price for Ontario customers. To this end, please find the PWU's comments on:

- 1) Centralized Forecasting,
- 2) Management of Minimum Load Conditions, and
- 3) Review of Standards Requirements to Meet Potential Policy Changes.

We hope you will find the PWU's comments useful.

Yours very truly,

Don MacKinnon
President

c: John Sprackett
Judy Kwik

List of PWU Employers

Atomic Energy of Canada Limited (Chalk River Laboratories)
BPC District Energy Investments Limited Partnership
Brant County Power Incorporated
Brighton Beach Power Limited
Brookfield Power – Lake Superior Power
Brookfield Power – Mississagi Power Trust
Bruce Power Inc.
Coor Nuclear Services
Corporation of the City of Dryden – Dryden Municipal Telephone
Corporation of the County of Brant, The
Coulter Water Meter Service Inc.
CRU Solutions Inc.
Ecaliber (Canada)
Electrical Safety Authority
EPCOR Calstock Power Plant
EPCOR Kapuskasing Power Plant
EPCOR Nipigon Power Plant
EPCOR Tunis Power Plant
Erie Thames Services and Powerlines
ES Fox
Great Lakes Power Limited
Grimsby Power Incorporated
Halton Hills Hydro Inc.
Hydro One Inc.
Independent Electricity System Operator
Inergi LP
Innisfil Hydro Distribution Systems Limited
Kenora Hydro Electric Corporation Ltd.
Kincardine Cable TV Ltd.
Kinectrics Inc.
Kitchener-Wilmot Hydro Inc.
London Hydro Corporation
Middlesex Power Distribution Corporation
Milton Hydro Distribution Inc.
New Horizon System Solutions
Newmarket Hydro Ltd.
Norfolk Power Distribution Inc.
Nuclear Safety Solutions
Nuclear Waste Management Organization
Ontario Power Generation Inc.
Orangeville Hydro Limited
Portlands Energy Centre
PowerStream
PUC Services
Sioux Lookout Hydro Inc.
Sodexo Canada Ltd.
TransAlta Energy Corporation - O.H.S.C. Ottawa
Vertex Customer Management (Canada) Limited
Whitby Hydro Energy Services Corporation

**INDEPENDENT ELECTRICITY SYSTEM OPERATOR
CENTRALIZED FORECASTING,
MANAGEMENT OF MINIMUM LOAD CONDITIONS, AND
REVIEW OF STANDARDS REQUIREMENTS TO MEET POTENTIAL POLICY
CHANGES**

POWER WORKERS' UNION'S COMMENTS

On December 13, 2007 the Independent Electricity System Operator ("IESO") initiated a review on the integration of Embedded and Renewable Generation (SE-57) into the reliable operation of the IESO controlled network. On February 5, 2009 the IESO advised stakeholders of its intent to expand the scope of the review and include a review of surplus baseload generation ("SBG").

The IESO has prepared three working papers on topics discussed with stakeholders participating in this consultation and requests comments on them. The working papers are on:

- 1) Centralized Forecasting;
- 2) Management of Minimum Load Conditions; and
- 3) Review of Standards Requirements to Meet Potential Policy Changes.

The following are the Power Workers' Union's ("PWU") comments.

Centralized Forecasting

The PWU supports the use of centralized forecasting as proposed by the IESO. The PWU believes that all generators should be responsible for submitting their forecast data. To facilitate an effective and reliable centralized forecast all renewable generators, including embedded generators should be required to provide accurate and timely forecasts to the IESO. Solar and wind generators should also be responsible for providing and maintaining equipment that collects

and transfers meteorological data to the IESO. Given the magnitude of proposed new Feed in Tariff (“FIT”) generation combined with the current and projected frequency of SBG it is essential that the IESO also develop and implement a centralized forecasting methodology as soon as practical to help maintain the reliability and efficiency of Ontario’s power system. The costs of the new forecasting system should be recovered from the variable generators using a method similar to that used by the New York ISO.

Management of Minimum Load Conditions

The PWU supports the development of policies that will address the management of minimum load conditions. The PWU recommends that the IESO use the following modified criteria in establishing the new policies:

- 1) Safety, reliability and operability;
- 2) Implications on the environment; and,
- 3) Economic impacts including allocative efficiencies

The PWU is concerned that the current and projected levels of SBG, absent a revised dispatch method will continue to adversely impact critical and essential baseload, nuclear and hydro operations decreasing the overall life span of the nuclear units, reducing long term reliability and increasing overall costs to generators and consumers.

The IESO should consider all options available to it (i.e. changes to the management of imports and exports, request the Ontario Power Authority (“OPA”) to amend current contracting practices and/or amend existing contracts to ensure that the Ontario power system can be properly operated).

Review of Standards Requirements to Meet Potential Policy Changes

The proposed objectives set out for the development of standards should be modified from “accommodate **maximum** penetration of embedded/renewable generation” to “accommodate **optimal** penetration of embedded/renewable generation”. The proposed revised standards should facilitate the installation and

operation of embedded/renewable generation while ensuring that the reliability and safety of the Ontario power system from the end user to the generator is not compromised.

These are the comments of the PWU. The PWU looks forward to further participation in the IESO's consultation on embedded and renewable generation.