

**INDEPENDENT ELECTRICITY SYSTEM OPERATOR
CENTRALIZED FORECASTING AND
MANAGEMENT OF MINIMUM LOAD CONDITIONS**

POWER WORKERS' UNION'S COMMENTS

INTRODUCTION

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 to include surplus baseload generation (“SBG”).

The IESO has issued working papers on the following topics on which it requests comments:

1. Centralized Forecasting; and,
2. Management of Minimum Load Conditions.

The following are the Power Workers’ Union’s (“PWU”) comments on the IESO’s working papers.

1. 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 the IESO. 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

for the collection and transfer of meteorological data to the IESO. Given the anticipated magnitude of the proposed new Feed-in Tariff (“FIT”) program combined with the current and projected frequency of SBG it is essential that the IESO develop and implement a centralized forecasting methodology as soon as practical to help maintain the reliability and efficiency of Ontario’s power system. The PWU supports the use of a third party to develop the forecast tool based on existing meteorological data sets so that it can be implemented expeditiously. Further, the PWU agrees with the IESO that the cost of the new forecasting system should be recovered from the variable generators (i.e. wind and solar generation).

2. MANAGEMENT OF MINIMUM LOAD CONDITIONS

The PWU supports the development and implementation of policies and procedures that will address the management of Minimum Load Conditions. The IESO should work expeditiously to implement the key considerations identified by stakeholders as contained in the IESO’s August 11, 2009 presentation. On page 7 of the IESO’s presentation the IESO sets out the following criteria for the management of Minimum Load Conditions:

- Operational complexity;
- Impacts to the environment; and,
- Allocative efficiencies.

In addition to these criteria the PWU recommends that the IESO address ongoing system safety, reliability and operability. Operability would include the IESO’s concern with regard to operational complexity. The PWU recommends that the criteria that address operational complexity also include safety and reliability. In addition the PWU notes the need to consider the economic impacts in assessing Minimum Load Conditions. The modified criteria for establishing policies and procedures related to Minimum Load Conditions would be as follows:

- Safety, reliability and operability;

- Implications on the environment; and,
- Economic impacts including allocative efficiencies.

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

The PWU supports the IESO's proposed actions and next steps described in the IESO's presentation, as follows:

- *Use average demand forecast during periods of low demand*
- *Delay commissioning units during periods of low demand (only if it does not impact long-term reliability concerns)*
- *Deny unit synchronization associated with real-time and day-ahead guarantees during periods of low demand*
- *Meet with OPA contracts and evolve for other contracts (including Transitional Scheduling Generators (i.e. NUGs), Self-Scheduling Generators, etc.*
- *Meet with Government on policy considerations*

The PWU is pleased that the IESO is considering all options available to it including: changes to the management of imports and exports, requesting the Ontario Power Authority and the Ontario Electricity Financial Corporation to amend current contracting practices and/or amending existing contracts to ensure that the Ontario power system can be properly operated.