

## **OPG Feedback for SE-61 – Dispatch Methodology and Processes**

OPG is pleased to see the beginning of this important dialogue on dispatch issues. This initiative will be critical to the reliability and efficiency of the Ontario market both now and in the future. This initiative deserves to receive high priority treatment and the schedule should be expedited.

While there has been some initiatives executed by the IESO which have enabled participants some latitude in responding to dispatches, there remains a need to address more fundamental issues. OPG has been conducting an extensive review of dispatches and the fundamentals which drive them; to date, OPG has identified several key issues which can lead to excessive dispatches. These include, but are not limited to, the DSO attempting to maximize the flow across energy limited interfaces, the DSO's inability to recognize the cost of ramping a megawatt, and the fallout of coincident hourly changes in inertie flows and hydroelectric output. The fundamentals of the DSO often lead to a dispatch solution which ramps twice as many megawatts as is implied by actual changes in load throughout the day<sup>1</sup>. A significant reduction in this ratio would be both a suitable and achievable goal.

In the future, Ontario's supply mix will undergo significant changes which will require a reassessment of the dispatch capabilities and limitations of the available resources. In today's market, a large portion of the load following capability is supplied by OPG's fossil resources which are scheduled to be retired in the coming years. It will not be acceptable to shift this responsibility to hydroelectric resources. Ensuring that a mix of market participants will have adequate incentives for load following will be a critical aspect of managing the new supply mix. Although this particular aspect of the stakeholder engagement is important, the emphasis of the process must be on addressing the current issues.

One area of concern for OPG is the proposed timelines of the stakeholder process. A six month timeline to conclude phase 1 is excessively long. Phase 2 is where we might reasonably expect to begin to make headway on dispatch issues. This phase should be brought forward.

Finally, the IESO should take the lead in conducting a survey of the experience of other jurisdictions in dealing with frequent dispatch of slower moving e.g. coal generating units. This survey should allow for participant input and involvement and be treated as a high priority task in order to expedite the project.