

Notes from the October 22, 2007 Forecasts and Assessments Standing Committee Meeting

1:15 pm to 4:00 pm
Clarkson System Control Centre, Room 216

Attendees:

| Name | Company |
|---------------------|--------------------------|
| Fayyaz Akram | Hydro One |
| Peter Gruttke | Ontario Power Generation |
| Greg Hine | IESO |
| Craig Lemon | Union Gas |
| Vithy Vithyananthan | IESO |
| Ben Li | IESO |

Agenda Item 1: Market Forecasts and Integration Near Term Forecasts

IESO presented the planned changes to demand forecast load forecast uncertainty (LFU) calculations in nearer term IESO forecasts that extend out 3 to 10 days in the future. The intention on the new LFU calculation methodology is to provide a smoother transition in the LFU calculations in the near term timeframe. Also identified is new load forecasting system the IESO will be adding a to their tools sets. These new tools are consistent with the recommendations of the Demand Forecast Deviations Working Group (SE-28). As part of this tool suite, a new process for calculating the peak demand of each hour will be instituted. These changes should give a defensible translation from average demand to the peak of each hour for days 0 to 2. The expected in-service date for the new load forecasting tool that will implement changes to the demand forecasting methodology is December 12, 2007. The presentation slides from the Oct 22 meeting are posted on the FASC web-page.

Agenda Item 2: Review of previous meeting notes from the July 25, 2007 meeting

- No changes were received. The meeting notes will be posted as final on the FASC webpage.

Agenda Item 3: Review of outstanding action items

- IESO staff identified that the preliminary plans for publication of the 18-Month Outlook is to publish early March, early June, early Sep and early December. The preliminary plan is to publish an ORO in early March and early December. These plans are subject to change, depending on the timing of the IPSP.
- IESO should consider the extent to which bottled generation may be experienced in the Southwestern area of Ontario considering the additional generation in the Sarnia area.

- There is a continued need for a forecast of outages by fuel type, which was to be provided when IESO replaced the IOMS database with a new FOMS database
- Hydro One provided an update related to spare transformation capability. The length of time a transmission outage could affect a transmission constraint varies widely depending on the nature of the constraint. Hydro One's normal replacement times for transformers is 4-8 weeks depending upon the size and complexity of the job. Hydro One maintains a fleet of operating spare transformers that must be immediately available for dispatch in the event of a permanent failure.
- There was discussion regarding the extent to which the 18-Month Outlook forecasts should use median hydroelectric conditions, or some lower level of hydro contributions that could materialize. To what extent should Ontario have reserves to cover the possibility that hydroelectric contributions could be lower than median? It was suggested that IESO could assume a different level of hydroelectric contributions, depending on how far in the future the forecast is considering. Over a longer term horizon, IESO could assume a lower level of hydroelectric contributions that have a higher probability of being achieved, compared to a nearer term forecast when less uncertainty exists.
- FASC members recognize that IESO may use past historic performance of generators to help guide the most appropriate forecast of EFORs for generators. It is recognized that IESO need not only consider the forecast of EFOR provided by generators, but may also consider the past performance of generator units. This was raised recognizing that the OPA's IPSP is influenced by the possibility of having nuclear EFORs higher than the point forecast of EFOR.
- FASC members identified a potential issue of having an excess of base load generation in future.

Agenda Item 4: Latest 18-Month Outlook Information 2007 Q3 18-Month Outlook

IESO staff presented an overview of the 2007 Q3 18-Month Outlook that was published in September 2007. The following comments were made during the discussion that followed:

There was a question related to the extent to which IESO could add information in the report that provides some monitoring information with respect to the expected in-service dates of new generation projects. Is it feasible for IESO to identify some milestones with respect to the progress of new projects, such as if a connection assessment has been completed, or if Environmental Assessments are required or have been attained for each of the projects?

Agenda Item 5: Any Other Items

No other items were reported.

Agenda Item 6: Next Meetings

The next meeting is scheduled for January 16, 2008.

Other tentative proposed meeting dates for 2008 are:

- April 16, 2008
- July 16, 2008
- October 15, 2008