

Minutes of Meeting

Date held: November 10, 2009	Time held: 9:00 am	Location held: Clarkson Viewing Gallery
Invited/Attended:	Company name:	Attendance Status: (A)ttended; (R)egrets; (S)ubstitute
Bromley, Blair	Capital Power Corporation	Via Teleconferencing
Browning, Nick	MISO	Via Teleconferencing
Chagnon, Guy	Hydro Quebec	Via Teleconferencing
Connell, Shaun	TransAlta Corporation	Via Teleconferencing
Cormier, Pascal	Brookfield Power	Via Teleconferencing
Coulbeck, Rob	RBC Capital Markets	Via Teleconferencing
Gell, Richard	Ontario Power Generation	A
Harris, Jonathan	DC Energy	Via Teleconferencing
Jaman, Curtis	JP Morgan Commodities	Via Teleconferencing
Khan, Arshad	EPIC Merchant Energy LP	Via Teleconferencing
Loughren, Chris	Bruce Power	A
Nikkel, Jonathan	Aquilon/Silverhill Limited	A
Ouellet, Louise	Hydro Quebec	A
Pakela, Gregory	DTE Energy Trading	Via Teleconferencing
Pewarski, Jim	MISO	Via Teleconferencing
Quilley, Chris	Twin Cities Power	Via Teleconferencing
Rawji, Altaf	Scotia Capital	Via Teleconferencing
Scott, Gordon	EPIC Merchant Energy LP	Via Teleconferencing
Urukov, Vlad	Ontario Power Generation	A
Wells, David	Manitoba Hydro	Via Teleconferencing
Bull, Tabatha	IESO	A
Doyle, Declyn	IESO	A
Mathrani, Sneha	IESO	A
Moldovan, Emanuel	IESO	A
Robitaille, Dave	IESO	A
Sergejewich, Peter	IESO	A
Springgay, Guy	IESO	A
Tang, Jessica	IESO	A
Wilson, Mark	IESO	A

Scribe: *Sneha Mathrani*, Please report any corrections, additions or deletions e-mail to sneha.mathrani@ieso.ca

All meeting material is available on the IESO web site at: [Intertie Trading Standing Committee](#)

Document output of each agenda item below:

Agenda Item #1 Administration

Dave Robitaille of the IESO welcomed the group and invited members to introduce themselves. The agenda was reviewed and the following were suggested as additional items:

- Inaccurate return from outage information from Market Participants (MP)
- PQ-AT testing and telemetry issues
- Differences between information posted by the IESO and TransÉnergie

Dave Robitaille responded to the first issue by stating that the IESO posts participant information and that we have to trust the schedule that the MP dictates. If there is reason to believe that the information a participant is providing is inaccurate, the Market Compliance department will look into it.

The final two items above will be addressed during the updates section of the agenda.

The minutes of July 2009 were posted as final after the 2 week comment period. There were no comments from the members.

Dave provided an update of the IJT initiatives list. Financially Biding Status was closed and the Technical Panel has deemed the Linked Wheel Transactions initiative of medium priority due to limited resources.

Participants were asked if re-prioritization of the IJT initiatives list was required. There were no comments from members and, as a result, the list will remain as is.

Guy Springgay of the IESO stated that there had been a confidentiality breach. In October 2009, an incident occurred in which a participant unintentionally received the trade data for both itself and all the other market participants. This was immediately brought to IESO's attention and action was taken by the participant to discard this data. An e-mail will be sent to the participants who were involved in this incident to communicate the breach.

Member Questions, Comments and Discussions

A participant asked what protocols have been put in place to prevent the occurrence of similar incidents in the future.

Guy explained that internal procedures exist to screen data and documents being sent out to participants. Documents get reviewed by more than one IESO staff to ensure that the information is as accurate and precise as possible. Furthermore, documents are often converted to a PDF format, which

forces one to review the information several times before distribution. Moving forward, the IESO will ensure that there is a second reviewer of the files that are being sent out to participants.

Agenda Item #2 Updates

- **PARS**

Mark Wilson of the IESO provided an update on the Michigan PARS. Hydro One expects to complete their work by Q1 of 2010. There are no significant road blocks for the operating agreement concerning PARS. We have committed to notifying the market at least 1 month prior to the PARS going in service. We expect this to be mid to late April 2010.

Member Questions, Comments and Discussions

One participant asked if the Operating Agreement was the same as the Facilities Agreement.

Mark Wilson answered that the two agreements are different. The Operating Agreement is between IESO and MISO concerning the physical operation of assets associated with the PARS.

A participant inquired about why IESO had to wait for signatures before making the PARS available.

The IESO explained that all the paperwork must be in order for the ITC to approve and move forward with signatures. MISO wants to wait for ITC signatures to ensure that they are satisfied with the agreement.

A member questioned whether B3N is the only work required for PARS to come in service.

Mark Wilson responded that B3N is the only work and that no additional agreements are required.

- **Market Rule 00360 Negative CMSC for NISL**

Tabatha Bull of the IESO provided an update on Market Rule 00360. This market rule was passed by the Board and will come into effect on December 9, 2009. The IESO has developed a query that will run the each day to see if CMSC was calculated for certain NISL violations and subsequent IESO manual constraint actions as per the market rule. The IESO will then change the code on those transactions from TLRe to TLRi. The result is that the preliminary settlement statements will be accurate and MPs will not be required to NOD the CMSC payments.

Member Questions, Comments and Discussions

One participant asked if it was possible to put a tool in place to ensure that appropriate codes are used for partial transactions. This action is imperative since the tool only accepts one code which may cause participants to lose CMSC.

Dave Robitaille stated that the query we have developed for this rule change runs after real time and before the settlement statement is produced, it is not run by the DSO.

Mark Wilson asked what the frequency of losing CMSC payments due to code changes was. The participant answered that it was approximately once a month.

Dave Robitaille stated that this issue is similar to an MSP recommendation. He suggested that we will look at this issue again.

Action Item: IESO to look into an after-the-fact query to ensure there is no lost CMSC due to a partial failure where two codes are applicable (i.e. a 100MW constrained on transaction is failed for 50MW with a TLRe but the remaining 50MW flow. The TLRe code brings the market schedule to 50 MW and therefore there is no CMSC for the 50MW that flow that were originally constrained on).

- **New York Outage**

Dave Robitaille of the IESO gave an update on the New York outages which begin on November 16th, 2009. Circuits will come offline one at a time and the outages will last until December 6th, 2009. The New York scheduling limit will be at zero in both directions and the scheduling limit of Michigan will be reduced both ways. The New York and PJM scheduling limits will also be reduced. This is consistent with the last PA301 and PA302 outages.

Member Questions, Comments and Discussions

A participant questioned if the reduction in scheduling limit of New York and PJM will affect the Calvert Cliffs CSP, as it incorporates parallel flows.

Dave Robitaille responded that there will be no impact on the Calvert Cliffs CSP. The CSP simply provides a better reflection of the constrained world.

- **Partial Curtailments**

Jessica Tang of the IESO spoke to an action item regarding partial curtailments. A participant had mentioned that if they had a schedule of 100MW in the IESO and were only able to get 50MW of transmission in MISO, in some instances the IESO would not curtail the transaction to 50MW but down

to zero. Jessica stated that partial curtailments are feasible and they will be available going forward. The participants should not be experiencing this error any longer. If errors are still arising, the IESO should be notified immediately. This item is closed and no further discussions will take place.

- **Communication of PQ-AT Commissioning**

Dave Robitaille of the IESO discussed the communication protocol between the IESO and participants concerning Outaouais commissioning. The IESO had sent out an email in an attempt to be transparent but inadvertently caused confusion. Moving forward, the IESO feels that communication through the SSR will keep the information consistent.

Member Questions, Comments and Discussions

A market participant asked if the IESO and TransÉnergie communicate with each since there seems to be inconsistent information on each website.

The IESO explained that we speak with TransÉnergie on an hourly basis to determine if transactions are being curtailed. IESO aims to coordinate with TransÉnergie to ensure information is correct and consistent.

A participant told the IESO that TransÉnergie did not have information concerning operability prior to November 1st, 2009.

The IESO stated that after the last set of commissioning tests, there were technical issues and hence the circuits could not come into service. Market Participants were unaware of this and did not receive appropriate data.

A participant asked where the IESO now stands concerning commissioning. He asked what the transfer capability is expected to be once commercial.

Dave Robitaille answered that the IESO has met with TransÉnergie to review the results of the commissioning tests. No date has been provided for the commercial in-service of the tie-line. When dates and further information becomes available, the IESO will share it with MPs through the SSR.

The IESO stated that a second transmission line is being built in Quebec that will allow the capability of the Outaouais line to go to 1250MW. Until then, the capability of the tie-line will be around 800 – 850MW.

CLARIFICATION AFTER THE MEETING: the export capability on the Outaouais tieline is dependent on the load in the Outaouais area. This capability is not expected to reach 1250 until supplementary transmission is built in the Outaouais area. Until then, the limits will be variable and will change as the

load in the area changes. The export limit is not expected to go below 800MW, however it can go anywhere in between 800MW and 1250MW.

A participant voiced concern around price fluctuations due to PQ-AT testing and telemetry problems.

Jessica Tang explained that the commissioning is scheduled through an emergency energy slot in IS, this slot is normally not reflected in the market schedule for emergency energy, however for the commissioning a flag is set to ensure that the MW at PQ-AT are reflected in both the market and constrained schedule. The correct market demand is used in the control room and therefore the correct price is being determined. There is however a disconnect when the primary demand number is published, which may be where the concern is. The IESO is looking into this publication issue. A market participant asked why the schedules for the commissioning are in the emergency energy slot when they are supposed to be inadvertent energy.

Jessica Tang explained that in order for the schedules to be considered inadvertent, the energy amounts are put in to the emergency energy slot and, at the end of the night, the schedules are zeroed out – resulting in inadvertent energy.

Agenda Item #3 FERC Tariff Discussion (Re: Meeting October 28)

Peter Sergejewich provided a summary of the October 28th SAC meeting and the Joint Stakeholder meeting which took place in Albany on October 29, 2009. Peter asked participants to submit feedback by Friday November 13th, 2009 in order for him to bring this information forward to the next meeting on December 15, 2009 in MISO. The purpose of these meetings is so that New York can respond to the FERC Order 61049.

Member Questions, Comments and Discussions

One member asked how Ontario can participate in the buy-through congestion when we don't have nodal pricing.

The IESO explained that Ontario does not have nodal pricing and hence cannot use a buy-through congestion price across the interface. We have shadow prices but do not know if this price is settlement worthy. However, the white paper stated that we can use congestion pricing or equivalent, we would use the equivalent.

It was pointed out that when this protocol is put in place, it is extremely important for all participants to understand how the calculations are carried out. If the IESO moves to buy-through congestion, charges for congestion will apply.

A market participant asked if there was consideration for scheduling actual flow patterns.

Currently, the IESO schedules entirely through one jurisdiction. However, we are looking at accurate modelling.

A participant stated that if there would be congestion charges, there should also be congestion credits, for flowing in the opposite direction of congestion.

Peter Sergejewich asked the members if TLRs were a concern for traders or if it is built into the business as a risk. A participant stated that they are seeing more TLRs because New York has become active with calling TLRs. Another member stated that the expectation of a successful transaction is just lower. The most impactful issue is how to calculate the congestion cost.

The next meeting will be held at the MISO office on December 15th, 2009. Continued feedback from participants is greatly appreciated.

Action Items: Market participants should submit their suggestions to the IESO.

Agenda Item #4 Coding Changes – TLRe for intertie violation caused by external curtailments

Tabatha Bull from the IESO gave a presentation on the new coding practice which is targeted to begin on November 25th, 2009. This coding system will ensure that the code applied for transaction failures that are a result of a limit violation resulting from an external failure is consistent with the coding principles from market opening.

Member Questions, Comments and Discussions

A market participant asked what the likelihood was that input from participants would change the outcome of this decision.

The IESO explained that the market participant would have to provide a counter-argument which shows that the proposed applicable is inconsistent with the coding principles. Andy He from the IESO stated that the MAU and MSP are not concerned with the code which is applied to a transaction, but whether the price outcome is appropriate and are in agreement with this code application.

One member stated that he didn't know if these actions would impact the real-time price and that he felt the IESO is simply trying to eliminate CMSC. Andy He stated that it is understandable to impact price, but not to distort it. The MSP is concerned with the appropriate price.

A participant stated that in the past, he felt that the best effort economic basis has not been used when curtailing transactions. How will the IESO ensure that transactions are now evaluated economically?

Tabatha Bull from the IESO stated that we are tracking this process and follow up is performed every day. However, it must be noted that this may not be feasible at all times by the control room staff as reliability will be our first priority. Statistics were provided at a previous IJT meeting which indicated improvements in decisions made based on economics.

Agenda Item#5 MISO Protocol Update & Findings

Emanuel Moldovan of the IESO gave a presentation on the MISO protocol which has been in effect since September 9th, 2009. The presentation was an overview of the conclusions to date.

Member Questions, Comments and Discussions

A member asked how a participant would submit a tag without transmission.

Tabatha Bull from the IESO stated that failures are tracked by a tag that is submitted for a transaction without transmission. It was clarified that these tags are submitted after the participant fails to acquire transmission and are only submitted to identify the reason for the failure to the IESO.

Furthermore, MISO will not reject a transaction that previously had firm transmission if it causes a flowgate violation. In this case, a TLR will be called and the less firm transaction will be curtailed.

A member asked if MISO will curtail transactions if a ramp problem exists. The IESO answered that if problems occur after T-30, transactions will be curtailed but additional adjustments can be made.

A participant pointed out that if firm transmission can be released 2 hours out and the schedule for the owner of the firm transmission then increases for the next hour, the firm transmission that was originally purchased is devalued due to the risk of not being able to acquire ramp. Is there discussion around compensation for the owners of the firm transmission? These owners still have to pay the fee for firm transmission even though they are not flowing the MWs. Another participant stated that this is a MISO ramp issue, not an IESO issue. He stated that there is agreement that there is an overall benefit of this protocol but the question now is if there is a benefit to purchasing firm transmission.

A participant stated that this currently occurs on the New York interface and there they have a transmission rebate. MISO (who was on the phone) stated that their tariff does not support a rebate.

Dave Robitaille pointed out that the IESO has only one month of data so we don't know how material this all is.

Tabatha Bull invited members to provide the IESO with feedback on the impacts and benefits of the MISO protocol.

Participants stated that when the protocol was first implemented, there was a great deal of frustration in the control room of participants. IESO was not fully aware of MISO's operations and the ramp and transmission scheduling protocols. Participants felt that communication between IESO and MISO could have been improved. A member stated that he felt the MISO protocol was rushed in.

Dave Robitaille pointed out that the MISO protocol was discussed for 2 years prior to its implementation and the aim is to benefit all stakeholders. There were some unanticipated issues which arose and a greater deal of communication is necessary.

A market participant pointed out that collectively we need to be careful of any conclusions, as only 2 arbitrary months of data is available. In the first half of 2009, it was difficult to buy transmission due to congestion problems and participation may have been low. Thus, we cannot conclude that participation increased as a result of the MISO protocol.

Action Item: The IESO will evaluate more data before in analyzing the MISO protocol. Together with Market Participant feedback the IJT will come to a conclusion regarding the MISO protocol and any changes to coding.

Agenda Item#6 Loss Penalty Factors Update

Jessica Tang from the IESO provided an update on the Loss Penalty Factors. The list of generators has been updated to include new generation as well as Outaouais. This information is available on the market data page of the IESO public website (<http://www.ieso.ca/imoweb/marketdata/marketData.asp>). On December 9th, 2009, a conference call regarding SE-40 will be held to discuss how often LPFs are updated as well as how.

UPDATE: This conference call has been postponed until January.

Closing Remarks

Dave Robitaille suggested that the IJT only meet twice a year: in the Spring and late Fall of 2010. If something urgent comes up, a meeting will be scheduled. The meeting originally scheduled for December 10th, 2009 is cancelled.

Action Item Summary				
#	Date	Action	Status	Comments
1	November 10, 2009.	IESO to look into an after-the-fact tool to ensure there is no lost CMSC due to a partial failure where two codes are applicable (i.e. a 100MW constrained on transaction is failed for 50MW with a TLRe but the remaining 50MW flow. There is no CMSC for the 50MW that flow that were originally constrained on).	OPEN	
2	November 10, 2009.	Market participants should submit their suggestions on congestion management to the IESO.	OPEN	
3	November 10, 2009.	The IESO will evaluate more data before in analyzing the MISO protocol. Together with Market Participant feedback the IJT will come to a conclusion regarding the MISO protocol and any changes to coding.	OPEN	