

Feedback Form

Improving Accessibility of Operating Reserve webinar – March 25, 2022

Feedback Provided by:

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Following the March 25, 2022 Improving Accessibility of Operating Reserve (OR) engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the proposed Market Rule amendments. The webinar presentation and recording can be accessed from the [engagement web page](#).

Please provide feedback by April 19, 2022 to engagement@ieso.ca. Please use subject: *Feedback: Operating Reserve*. To promote transparency, this feedback, if provided in an AODA-compliant format (e.g. using this form) will be posted on the [Improving Accessibility of Operating Reserve webpage](#) unless otherwise requested by the sender.

Proposed Market Rule Amendments

Draft Market Rule / Section	Feedback
Chapter 7, Sec. 7.4.3A	<p>OPG has no major concerns with the removal of Section 7.4.3A due to de-scoping of OR dispatch tool change <i>provided the removal of this section has no change / impact on the determination of OR activation compliance of a resource / compliance aggregate compared to how it is currently defined</i>. For example, consider a resource that is scheduled to provide +30 MW of standby OR, but the resource is outputting higher than its energy schedule (within its dispatch deadband). As a result, upon receiving an OR activation, the resource is only able to increase output by 20 MW. However, the resource meets its dispatched ORA target.</p> <p>Please confirm:</p> <ol style="list-style-type: none">1. If similar to today, the OR activation target will be calculated based on the current energy dispatch, rather than the resource output (i.e. in the above example, +30 MW above energy dispatch, not +30 MW above metered output).2. If the resource meets the OR activation dispatch target, the resource will be deemed to have met its OR activation, regardless of the incremental MW supplied (in the above example, if the resource meets the target by injecting an additional 20 MW, the resource is in compliance with its activation).3. Which claw-backs / charges would applied to the resource in the example? Would the claw-backs / charges be different if the resource had not been activated for OR? <p><i>OPG submitted this feedback as part of the Technical Panel Market Rule amendment process on September 3, 2021.</i></p> <p>In the absence of OR dispatch tool modification, which types of meters will be used to measure real-time resource output in the determination of accessible OR: operational meter or revenue meter? It is important to note that not all stations have oversight of revenue meters in the control room.</p> <ol style="list-style-type: none">4. If revenue meter data is not available at a station, how would the IESO calculate the accessible OR without unnecessarily burdening/penalizing MPs?5. If the operational meter can act as a surrogate to the revenue meter, how would the IESO address instances when the ORA target may result in discrepancies in settlement for the interval(s) following the end of the activation?

Draft Market Rule / Section	Feedback
Chapter 7, Sec. 7.4.2.1	<p><i>OPG submitted this feedback as part of the Technical Panel Market Rule amendment process on September 3, 2021.</i></p> <p>The IESO states that “A market participant shall be subject to non-accessibility charges...during any interval in which it is scheduled to provide operating reserve but is not dispatched to increase energy generation (or load reduction).”</p> <p>Take the example of a compliance aggregate with two resources. Both resources are scheduled for OR. Resource #1 is activated for 10 MW of OR but only provides 9 MW. Resource #2 is not activated but responds by increasing output by 1 MW to satisfy the ORA target for the compliance aggregate.</p> <p>In the instance above, does the OR non-accessibility charge apply to resource #2, which is in the same compliance aggregate as resource #1 but is not activated? OPG believes that the non-accessibility charge should not be applied to resources within the same aggregate as these other resources may be used to assist in reaching the ORA target.</p>
Chapter 7, Sec. 7.4.6	<p><i>OPG submitted this feedback as part of the Technical Panel Market Rule amendment process on September 3, 2021.</i></p> <p>The current language in 7.4.6 broadly refers to “inappropriate” congestion management settlement credits (CMSCs). In the May 28, 2021 stakeholder engagement presentation the IESO defined two instances for claw-back:</p> <ul style="list-style-type: none"> • Unwarranted OR CMSC arises when a resource’s accessible OR is different from the constrained OR schedule; • Unwarranted Energy CMSC arises when the ORA dispatch signal is revised to account for actual output/consumption of a resource at the time of the ORA. <p>OPG requests the rationale for using different terminology in the May 28, 2021 presentation versus in 7.4.6, i.e. unwarranted versus inappropriate.</p>

OPG submitted this feedback as part of the Technical Panel Market Rule amendment process on September 3, 2021.

OPG would like to highlight that a resource's AQEI and MAX_CAP parameters are calculated in different units and with different levels of precision. Specifically, AQEI, as defined in Chapter 9, Section 3.1.9 is presented in MWh, whereas MAX_CAP and other parameters such as AQOR have been defined in "allocated" MW in "metering interval 't'". As the calculations need to be performed in the same units, OPG requests clarity on the computational aspect of ensuring unit consistency.

Secondly, based on settlement data, AQEI is presented to three significant digits whereas other components in this calculation are generally presented to a single digit of precision. OPG submits that the higher level of precision of AQEI will lead to many, insignificant computations of a charge that will be burdensome from a settlement perspective and requests that the IESO implement measures to prevent this occurrence.

OPG notes three instances of language used to define an activation:

- Chapter 7, Section 7.4.2.1 uses "not dispatched to increase energy generation (or load reduction) pursuant to section 7.4.3".
- Chapter 9, Section 3.4.2 states "not dispatched to increase energy generation (reduce load) pursuant to section 7.4.3 of Chapter 7".
- Chapter 9, Section 3.4.2.1 states "not dispatched to increase energy generation (or reduce load)".

OPG requests that the IESO align all points above with the language used in Section 7.4.2.1, which identifies that the exclusion is pursuant to Section 7.4.3.

OPG notes that Section 3.4.2.1 is applicable to "aggregated facilities", further clarified to include loads as per the term "reduce load". The computation of TAOR_CA is strictly based on AQEI for "aggregated generators" only.

In Section 3.4.3.2, the IESO proposes an equation to calculate the "Total inaccessible operating reserve for generators". Please expand this equation to show the calculation for each class of OR in the term ORCF.

The following are editorial suggestions:

- Section 3.4.2.1, defines R as "all class of operating reserve". OPG proposes that the IESO change this language to "all **class**es" to be consistent with Section 3.4.2

Draft Market Rule / Section	Feedback
	<ul style="list-style-type: none"> Section 3.4.2.1, OPG notes the reference to “de-ratesd generation capacity”. OPG proposes that the IESO removes the “s”.
General comments/feedback	<p><i>OPG submitted this feedback as part of the Technical Panel Market Rule amendment process on September 3, 2021.</i></p> <p>OPG requests to have transparency of all settlement-ready data, including the parameters and method behind calculating a resource’s MAX_CAP value. OPG also requests that the IESO to provide feedback on the ability to separate the calculations for offers and real-time derates/constraints for settlement purposes.</p> <p><i>OPG submitted the noted comments in the above sections on September 3, 2021 as part of the Technical Panel Market Rule amendment process for the Improving Accessibility of Operating Reserve engagement. These comments have not been dispositioned by the IESO. As the comments remain relevant to this engagement, OPG is re-submitting these comments to request timely feedback and clarity from the IESO prior to re-engagement with the Technical Panel.</i></p>

General Comments / Feedback

1. Please clarify if the de-scoping of the change to the OR dispatch tool (i.e. removal of proposed Chapter 7 Section 7.4.3A) have any impact on the proposed Market Rule amendments outlined in the May 28, 2021 Stakeholder Engagement session for unwarranted CMSC and OR settlement claw-backs.
2. Is the go-live date of this engagement November 1, 2022, to be implemented in combination with the Replacement Settlement System project?
3. OPG previously proposed additional OR scheduling parameters, such as the “Energy plus OR Limit” parameter for hydro resources, to help address OR scheduling issues for both hydro and gas plants for Market Renewal.[1, 2] IESO feedback was “These comments should continue to be submitted to the relevant MRP engagement.”[3] Considering the delay to the current stakeholder engagement and the Market Renewal in-service date (Nov 2023), OPG is of the view that this proposal should be considered within this stakeholder engagement as well as in the Market Renewal Program. This consideration is important because the changes proposed in this engagement and in the Market Renewal Market Power Mitigation framework have significant impact on hydro resource OR availability, and should not be evaluated independently of each other. OPG requests the IESO to assess and provide feedback on the use of the proposed “Energy plus OR Limit” parameter for the improvement OR accessibility.

OPG thanks the IESO for this opportunity to provide feedback on the Improving Accessibility of Operating Reserve stakeholder engagement.

References:

[1] OPG, "OPG Comments – Market Renewal Energy Workstream Detailed Design: Physical Withholding", February 2020.

[2] OPG, "OPG Comments – Improving Accessibility of Operating Reserve", April 30, 2020

[3] IESO, "Improving Accessibility of Operating Reserve Stakeholder Feedback and IESO Response from March 30th Webinar", April 30, 2020.