IESO Reliability Standards Review Webinar: Feedback Form

Meeting Date: August 26, 2020

Date Submitted: 2020/08/26

Feedback Provided By:

Organization: Ontario Waterpower Association

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Following the August 26, 2020 webinar on the planning assumptions related to resource adequacy, the IESO is seeking feedback from participants on the areas to prioritize, the methodology and assumptions, as well as the potential impacts of the proposed changes on participant's businesses (outage planning, investment decisions, etc.).

The IESO will work to consider feedback and incorporate comments as appropriate and post responses on the engagement webpage. The referenced presentation can be found under the August 26, 2020 entry on the Reliability Standards Review webpage.

Please provide feedback by September 16, 2020 to engagement@ieso.ca. Please use subject: Feedback: Reliability Standards Review. To promote transparency, feedback submitted will be posted on the Reliability Standards Review webpage unless otherwise requested by the sender.

Stakeholder Feedback:

Table 1: Transmission Transfer Capabilities

Topic	Feedback
Transmission Transfer Capabilities	Ontario presently has some significant generation that is constrained, even under normal conditions, by internal transmission limitations, most notably on the North/South and East/West tie interfaces. Why wouldn't IESO examine the impact of expanding those limits by improving internal (Ontario) inter-zonal transmission rather than look out of province?
Methodology and assumptions	The IESO has the methodology by which interzonal transmission constraints can be assessed.
Potential impacts of the proposed changes on participant's businesses (outage planning, investment decisions, etc.).	1. Transmission improvements would unbottle energy/capacity and limit the potential for negative LMP expected in those areas in the new market construct. 2. Transmission improvements would open up investment opportunities for new hydroelectric capacity in those areas.

Table 2: Make-do allowance for scheduled outages and de-ratings

Topic	Feedback
Make-do allowance for scheduled outages and de-ratings	The Ontario hydroelectric generating fleet make-up has a considerably higher proportion than other NPCC member areas. The hydroelectric fleet is also older than many other assets. Recent industry publications from CEATI suggest that reliability rates for hydro units in all jurisdictions are changing in recent years, in part due to changes in operation brought on by market signals. With this in mind, would it not be prudent to look at the trend on reliability by fuel type rather than simply assume historical outage rates going forward?
Methodology and assumptions	Modeling and assessment of the impacts of the penetration of intermittent generation and market forces on hydroelectric operations has been undertaken by a number of groups (including EPRI, of which the IESO is a member). The OWA would be pleased to share these analyses with the IESO to help improve the approach to outages and de-ratings.
Potential impacts of the proposed changes on participant's businesses (outage planning, investment decisions, etc.).	Modeling that more accurately reflects the current and expected operating regimes of the hydroelectric fleet and the impacts thereon will increase participant confidence in the IESO's projections and/or identify changes that should be made in order to reduce the impact.

Table 3: Demand Uncertainty – Climate Change

Topic	Feedback
Demand Uncertainty – Climate Change	The IESO has indicated (Slide 6) that it recommends no change to the current methodology of accounting for demand uncertainty premised, in part, on the use of the last 31 years of weather data. The OWA is of the view that the most recent and expected impacts of climate change will not be adequately captured in such a data set. The IESO should likely weight more recent data more heavily, applying existing climate change models.
Methodology and assumptions	The IESO (and its NPCC peers) should adopt and apply current climate change impact modeling to its forecasts. At the session, IESO staff indicated that they were "working on this". As such, any proposed change to be made to reliability standards at this time should explicitly incorporate climate change modeling.
Potential impacts of the proposed changes on participant's businesses (outage planning, investment decisions, etc.)	More accurate predictions and the communication of modeling assumptions will increase participant confidence in the IESO's projections.

Table 4: Demand Uncertainty – Improved visibility at the Distribution System Level

Topic	Feedback
Demand Uncertainty – Improved visibility at the Distribution System Level	Ontario has approximately 4,000 MW of distribution connected generation that, for the most part, are invisible to the IESO and treated as load reduction. Again, the IESO has indicated that it is "working on" approaches to improve visibility. Such improvements would, by definition, impact demand uncertainty.
Methodology and assumptions	The IESO should move forward on initiatives to improve visibility/modeling of generation connected at the distribution system and take a leadership role amongst its peers in this regard.
Potential impacts of the proposed changes on participant's businesses (outage planning, investment decisions, etc.).	More accurate predictions and the communication of modeling assumptions will increase participant confidence in the IESO's projections.

General Comments/Feedback:

N/A