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## IMO Staff Recommendation to Panel on Exemption Application (Specified facilities and equipment prior to market opening)

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### PART 1 – GENERAL INFORMATION

Market Participant Name: **Iroquois Falls Power**

Location/Site:

Exemption Application ID: 01-1146

Market Participant ID:

Description of Exemption Requested: ***Exemption from need to provide generator unit voltage at high performance for the life of the equipment***

Date Exemption Application Received: October 17, 2001

Date all relevant application information supplied by applicant: October 25, 2001

Management Approvals Obtained (YES or NO): YES

Section of the *Exemption Application and Assessment Procedure* under which the Exemption Application is made:

- *Section 1.5.1 (Application for Exemptions for Facilities and Equipment prior to Market Opening)*

Market Rule(s) or related Market Manual(s) from which exemption is requested (copy of Market Rule(s) or related Market Manual(s) attached): *Market Rules Baseline 6.6, Chapter 4, Appendices 4.15 and 4.19.*

Third Party Submissions Received (YES or NO):

Supplemental Assessment Information Attached (YES or NO): NO

Related Historical Exemption Application(s) or Related Exemption Application(s) in Process (YES or NO): YES

*N. B. If YES, see attached History of Exemption Applications*

Role of applicant in the market as it relates to this exemption application: *Generator*

## PART 2 – RECOMMENDATION

**Recommendation:** GRANTED with conditions

**Criteria Used in Assessment of Exemption Applications Prior to Market Opening (Section 1.5.2 of *Exemption Application and Assessment Procedure*):**

Whether the exemption that is the subject-matter of the exemption application would, if granted, materially:

- impact the ability of the IMO to direct the operations and maintain the reliability of the IMO-controlled grid; ☒
- affect the ability of the IMO to operate the IMO-administered markets in an efficient, competitive and reliable manner; ☒

Whether the cost or delay to the exemption applicant of complying with the obligation or standard to which the exemption application relates is reasonable, having regard to the nature of the obligation or standard, the nature of the exemption application and the anticipated impact of non-compliance by the exemption applicant in terms of the elements referred to above. ☒

## PART 3 – DETAILS OF ASSESSMENT

**Exemptions Request:**

Iroquois Falls Power is requesting an *exemption* from the requirement to provide *generator* unit voltage at high performance.

**Market Rule Requirements:**

Iroquois Falls Power is classified as a *major generation facility* as defined in Section 1.1.1.196 of Chapter 11, and is to provide unit voltage at high performance as required in Appendices 4.15 and 4.19 of Chapter 4 in the “Market Rules”:

**Assessment:**

The *IMO* requires voltage monitoring information from *market participants*. This information must be received accurately and regularly in real time in order to *dispatch* the generation resources for voltage control, where this quantity is required to derive or monitor reliability limits and to monitor compliance with ancillary service voltage support contracts.

### PART 3 – DETAILS OF ASSESSMENT

With respect to requirements to monitor contract compliance, the current Voltage Support contract does not require the use of kV quantities, since it acknowledges the lack of this data at this time. For the time being, MX readings are being provided and can be used to settle and monitor compliance with the Voltage Support Contract. As a competitive Voltage support *procurement market* develops, unit kV quantities may be required. The identified *facilities* may be exempted from the requirement to provide unit kV until the market requirements are more fully defined. The structure of such a market may be limited prior to the provision of this data monitoring.

*IMO-controlled grid* (ICG) operation requires a unit voltage indication for *major generation facilities*. Specifically, this quantity is required for those *facilities* where the unit terminal voltage is required for the derivation or monitoring of *reliability* limits or Megavar dispatching. Iroquois Falls Power is exempted from this requirement until such time as they may be required for deriving or monitoring of *reliability* limits. Megavar dispatching for voltage control at the Iroquois Falls Power facility will be based on telephone communication when this is required.

#### **Recommendation:**

*IMO* staff recommends granting the *exemption* from the provision of a unit voltage data quantity for Iroquois Falls Power until the requirements of the competitive Voltage support *procurement market* are more fully defined and/or until such time as this quantity may be required for derivation or monitoring of *reliability* limits or Megavar dispatching. The following condition applies.

#### **Condition:**

Unit kilovolts (kV) will be provided by the market participant by telephone as required by the *IMO*

#### **Cost to Comply:**

Iroquois Falls Power has indicated that missing quantities will cost a minimum of \$15,000 per point to provide.

Given the minimal impact that granting this *exemption* will have on the operation of the ICG and IAM at this time, the cost or delay to Iroquois Falls Power of complying is not necessary, having regard to the nature of the obligation and the negligible impact of non-compliance.

**PART 4 – TERMS AND CONDITIONS**

<b>Effective Date of Exemption</b> (or event causing exemption to be become effective)	Date <i>Exemption Application</i> received
<b>Date of Expiration of Exemption</b> <ul style="list-style-type: none"> <li>If greater than 5 years, the Panel must be satisfied that the circumstances justify a later date</li> <li>Circumstances which will cause the exemption to immediately expire</li> </ul>	For the life of the equipment or inclusion of Iroquois Falls Power in a Voltage Support Contract which requires kV quantity for participation and/or until such time as this quantity may be required for derivation or monitoring of <i>reliability</i> limits or Megavar dispatching.
<b>Market Rule (s) or related Market Manual(s) from which the Exemption is granted</b>	Chapter 4, Appendices 4.15 and 4.19
<b>Restrictions on the manner of operation and/or additional obligations to be met during the term of the Exemption, if any</b>	Unit kilovolts (kV) will be provided to the <i>IMO</i> by phone as required by the <i>IMO</i> .
<b>Monitoring Information Required</b> <ul style="list-style-type: none"> <li>Information required to be provided by the Exemption Applicant for monitoring by the IMO</li> </ul>	None
<b>Payment of Costs</b> <ul style="list-style-type: none"> <li>Processing Costs (when introduced)</li> <li>Incremental Exemption Costs</li> <li>Settlement amounts to be withheld or repaid</li> </ul>	None

**PART 4 – TERMS AND CONDITIONS**

<p><b>Reconsideration/ Removal</b></p> <ul style="list-style-type: none"> <li>• Date on which the Exemption will be reconsidered (<i>if applicable</i>)</li> <li>• Circumstances under which the Exemption will be reconsidered (<i>if applicable</i>) other than unforeseen future change in circumstances</li> </ul>	<p>kV quantities used for deriving or monitoring <i>reliability</i> limits.</p>
<p><b>Transferability</b></p> <ul style="list-style-type: none"> <li>• List the terms and conditions that need to be met to allow for a transfer of this exemption to be approved by IMO staff</li> </ul>	<p>Approval to transfer this <i>exemption</i> may occur once the following criteria have been met:</p> <ol style="list-style-type: none"> <li>1. the transfer meets applicable terms and conditions set forth in the <i>exemption</i> itself and whether the transfer would affect the ability of the proposed transferee to comply with all of the terms and conditions of the <i>exemption</i>;</li> <li>2. the proposed transferee is a <i>market participant</i> or undertakes in writing to the <i>IMO</i> to apply for authorization as a <i>market participant</i>; and</li> <li>3. the extent to which the transfer of the <i>exemption</i> will impact the timely implementation of the plan to become compliant with the exempted obligation (such plan may be the <i>exemption</i> plan, modified as required by the Panel as part of the terms and conditions of the <i>exemption</i>).</li> </ol>
<p><b>Other:</b></p>	<p>Not Applicable</p>