

Minutes of Meeting

September 6, 2007, 10:30 am - 12:00 pm

Webcast

Attendees

Company	Name
Abitibi-Consolidated Company of Canada	Cara Degelman
Bowater Canadian Forest Products Inc.	Bert Viljakainen
Digital Engineering Incorporated	Les Perrault
Dofasco Incorporated	Paul Smith
XstrataNickel	Dan Dumais
Gerdau Ameristeel Corporation	Darren MacDonald
Ivaco Rolling Mills	François Abdelnour

IESO
Boudreau, John
Drake, Gordon
Kula, Leonard
Robitaille, Dave
Springgay, Guy
Wright-Hilbig, Rhonda

Agenda Item #1: Automation of dispatchable load self-induced congestion management settlement credit (CMSC) clawbacks

Guy Springgay welcomed the group.

L. Kula provided information regarding proposed changes to the timelines of the CMSC clawback calculation. At the December meeting, the business rules for the clawback were discussed. Since January 2007 those business rules have been in-service and the clawback has been applied as a manual line item at month-end. The business rules are detailed in Market Manual 5.5. The clawback is in the process of moving from an “after the fact” manual calculation to an automated calculation allowing it to coincide with the existing settlement timeline. The clawback will soon be available on preliminary settlement statements for each trade day.

The software update to automate the clawback will go into effect on December 8, 2007 with the clawback appearing on preliminary settlement statements for December 1, 2007. The clawback will appear as a separate charge type CT 1050. Some participants asked whether a separate charge type was necessary and other participants indicated that the separate charge type was necessary for integration with their existing systems.

Participants asked what impact this change will have on batch load exemptions. This discussion will be taken offline.

Agenda Item #2: Update on the Facility Outage Management System (FOMS)

R. Wright-Hilbig provided updates on the status of the Facility Outage Management System (FOMS). FOMS has been indefinitely delayed. The communication that was sent to market participants regarding the issue will be circulated by the IESO. The communication is available on the IESO website at http://www.ieso.ca/imoweb/pubs/consult/se27/se27-FOMS_ProjectStatus.pdf. Market Manual changes to accommodate FOMS have been delayed and the project is under review by the IESO IT group.

Action: Circulate IESO communication piece on the status of the FOMS project.

Agenda Item #3: Status of the Hour Ahead Dispatchable Load (HADL) Program

R. Wright-Hilbig explained that a proposal is underway for a Market Rule Amendment to end the HADL program, which is now defunct (there are no registered participants in the program). Participants expressed no concern with ending the program.

Agenda Item #4: Impact of OPA Demand Response Programs on Dispatchable Load

R. Wright-Hilbig discussed the means by which dispatchable loads can participate in OPA demand response programs. The original vision for the DR1 program was the dispatchable loads should offer their load to the IESO as non-dispatchable in the day-ahead timeframe in order to be able to participate in the program. However, that presented a significant loss of operating reserve to the market for hours in which the OPA strike prices were not triggered. The OPA will now allow dispatchable loads in the DR1 program to offer their operating reserve until they see their strike price hit in the 3-hour-ahead predispatch, at which point they will remove their offers from the market, outside the mandatory window, if they wish to participate in DR1. The IESO is working with the OPA on the integration of other DR programs. In a similar manner to DR1, DR3 allows loads in the wholesale market to participate as dispatchable by removing dispatch data outside the mandatory window in response to a DR3 activation. The rules around DR2 are still under development, a draft has recently been posted on the OPA website for stakeholder review.

Some participants expressed the concern that participating in two separate programs at the same time was too burdensome on their plant operators but that it was beneficial to have the ability to participate in both the OR market and DR programs.

Agenda Item #5: Discuss the implementation of 10S Operating Reserve for dispatchable loads

G. Drake provided an update on the status of the implementation of dispatchable load participation in the synchronised reserve market. The NPCC membership approved changes to 10S participation criteria to include dispatchable load and NPCC documents A-06 (Operating Reserve) and A-07 (Glossary) were changed effective July 17, 2007. Loads may not offer the same reserve capacity into both the operating reserve market and other demand response programs (e.g. OPA DR3). Synchronized reserve cannot be provided by loads where the load reduction is dependent on starting an unsynchronized generator, a requirement consistent with those for generators providing 10S.

IESO is pursuing a Market Rule Amendment to change 4.5.12 to remove references to dispatchable load as providing only non-synchronized reserve. Changes to Market Manual 1.2 Section 4.3.2 are also being pursued to reflect facility registration requirements for dispatchable loads as synchronized reserve resources. All market manual changes will be fully stakeholdered.

IESO interpretation of NPCC language is that dispatchable loads must be able to provide 10S by the curtailment of a load that is already consuming or by loading a generator that is already synchronized to the grid. The IESO will confirm this understanding with other NPCC members through the CO-1 working group. Participants indicated that PJM allows for the participation of batch loads in 10S reserve. IESO will discuss this with PJM. To support registration in 10S, loads may have to provide information on any behind-the-meter generation and typical load factors.

Action: Confirm understanding of NPCC language with the NPCC CO-1 working group.

Action: Discuss batch load eligibility for 10S with PJM.

IESO is investigating required changes to IESO interfaces and MP tools. The IESO MPI will need to be updated to allow for the submission for 10S dispatch data and internal IESO tools and control room screens will need to be updated. Participants using the Pomax API explained that their tool currently allows for the submission of 10S dispatch data to the IESO and participants not using Pomax were confident that the changes required to their systems would not be significant, although adequate time for testing in the Sandbox would be needed.

Next steps in the implementation schedule include a review of the draft rule amendment proposal by the Technical Panel and a vote on whether to recommend the proposal. The IESO Board is expected to make its decision on November 15, 2007. The tool changes to implement will be targeted for the March 2008 market-facing technical interface release, although the IESO is investigating possibilities for earlier incorporation.

Participants asked whether the IESO activates 10S independently of 10N. The IESO activates 10-minute reserve without distinguishing between synchronized and non-synchronized reserve. NPCC document changes still maintain the distinction between synchronized and non-synchronized 10-minute reserve.

Agenda Item #5: Next Steps / Adjourn

A follow-up meeting will be held in one month. Participants agreed that a conference call is the best medium for this discussion.

Comments on the issues discussed at this meeting may be directed to Stakeholder Engagement (stakeholder.engagement@ieso.ca).