
From: Savage, Jessica
Sent: Monday, June 15, 2009 11:50:50 AM
Subject: Economic Dispatch of Linked Wheels - Jun 15 Webcast
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Folks:

Thank you for your participation in this morning's webcast. I understand that you are frustrated by the slow progress on this file.

I think we are in agreement that the Working Group's current proposal has merits. However, prior to recommending a proposal to the Technical Panel and ultimately the IESO Board, the IESO needs to be comfortable that:

- The net benefit (to the province as a whole) of the proposal is positive;
- Unintended consequences or adverse outcomes are considered, at least qualitatively.

With respect to the April 22 Technical Panel meeting, here is the relevant excerpt from the meeting minutes:

A generator representative expressed support for the design in principle but acknowledged the complexities of the design. His concern was the lack of clarity regarding how the dispatch scheduling optimizer (DSO) would be able to simultaneously evaluate and schedule linked wheels, import and export transactions, internal supply and consumption under the new proposal. He also suggested the IESO should consider the impact of high volumes of linked wheel transactions on the pre-dispatch constrained shadow price and the potential impact on other market participant.

I have prepared a slide deck to address the Technical Panel's concern about lack of clarity regarding the mechanics of the proposal. It is my intention that the presentation would be provided to the Panel along with the Working Group's more complete assessment of the outstanding issues.



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As for the suggestion that the IESO should consider the impact on other market participants, given its other priorities, the IESO is not in a position to do this analysis. The IESO's priorities for market design changes were presented at the June 3 Stakeholder Advisory Committee meeting

http://www.ieso.ca/imoweb/pubs/consult/sac/sac-20090603-Item3_Schedule_and_Status_of_Market_Design_Change.pdf.

However, Brian noted that we'd be willing to help the Working Group outline a scope of the analysis that is required to complete the assessment of the current proposal. I will set up a meeting in July for that discussion.

Regards,

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