

Notes from the July 25, 2007 Forecasts and Assessments Standing Committee Meeting

1:15 pm to 4:00 pm
Clarkson System Control Centre, Room 216

Attendees:

Name	Company
Fayyaz Akram	Hydro One
Peter Gruttke	Ontario Power Generation
Greg Hine	IESO
Craig Lemon	Union Gas
Khakan Khan	IESO
Andrew Trachsell (part time)	IESO
Chun Hung Ngai	Toronto Hydro-Electric System Limited

Agenda Item 1: Review of previous meeting notes from the March 21, 2007 meeting

- Some minor comments on wording were received to improve clarity. The revised meeting notes will be posted as final on the FASC webpage.

Agenda Item 2: Review of outstanding action items

- The revised meeting notes from the January 17, 2007 meeting are now posted on the FASC web-page.
- IESO staff identified that the preliminary plans for publication of the 18-Month Outlook is to publish early March, early June, early Sep and early December. The preliminary plan is to publish an ORO in early March and early December. These plans are subject to change, depending on the timing of the IPSP. Concern was expressed that publication is better scheduled every six months, since there are always reasons for delay due to potential updates. An update of the scheduled supply additions every six months would be valuable.
- After discussion with OPG staff related to the treatment of assumed hydro generation contributions in the 18-Month Outlook and hydro generator outages, there is no suggested change which would significantly improve the overall process. IESO will continue to base the 18-Month Outlook forecast on the historic median contribution of hydro generation at the time of weekday peak demand.

Discussion Items Related to the Last ORO

FASC members felt that the following changes to the ORO would provide a more valuable report to readers:

1. a regular update of the ORO every 6 months would be of value, but recognized that timing of the IPSP may have an influence on the timing of the ORO.
2. More detail in the ORO, similar to previously published 10-Year Outlooks, which included Reserve Above Requirement values would be helpful if presented on a seasonal peak basis, if not a month by month basis.
3. A table of new supply additions would be useful.
4. A summary of local area reliability concerns, including areas of the Northwest area, and areas around Lennox, Lambton, Windsor, Bruce, Kitchener and Toronto
5. Identification of the entities which are expected to respond to the reliability concerns identified in the assessment
6. Identification of the demand management assumptions are critical, especially in the Northwest zone

IESO staff identified that the next Ontario Reliability Outlook would consider the extent to which bottled generation may be experienced in the Southwest Zone of Ontario considering the possibility of additional embedded self-generation in the Sarnia area.

The extent to which the Ontario demand forecast will tend to decrease due to additional embedded self-generation is recognized via OPA forecasts of conservation. The OPA conservation forecast includes the impacts of expected additions of new embedded self-generation.

The information that IESO identified related to the forced and planned outages from 2003 to 2006 is available from OPG annual reports.

Agenda Item 3: Latest 18-Month Outlook Information

2007 Q2 18-Month Outlook and the subsequent Interim Update

IESO staff presented an overview of the 2007 Q2 18-Month Outlook that was published on June 22, 2007, and a summary of the changes that initiated the subsequent Interim Update to the 18-Month Outlook, which was published on July 16, 2007. The following comments were made during the discussion that followed:

With respect to the future treatment of Sandy Falls in the Firm Resource Scenario, consideration will be given on whether or not to include Sandy Falls in the 2007Q3 Firm Resource Scenario. If this facility is viewed as a new facility, rather than an enhancement to an existing facility, we would not include the generation in the Firm Resource Scenario, until it begins commissioning, or the in-service date is within the first 3 months of the Outlook study period.

There was a question related to the extent to which IESO would validate the information that they receive with respect to the expected in-service dates of new generation projects. The IESO produces a Planned Resource Scenario and a Firm Resource Scenario to reflect a range of possible outcomes that may materialize, without attempting to comment on the likelihood of any particular project coming into service on schedule.

It was observed that, in the event of transmission equipment failures, there is no indication as to how long the reliability of the power system may be at greater risk. It would be helpful to readers to know the extent of spare transformation capability, to get a sense of how long an outage to transmission capability may last.

There was a request for the 18-Month Outlook to more clearly identify the periods of time when generation reductions were required due to transmission constraints.

There was a request for greater transparency with respect to generator outages. It is recognized that an outages by fuel type report would be useful to readers, and it is hoped that the future FOMS project, which is intended to replace the existing IOMS database, will provide a reliable, production grade platform for IESO to produce an outage by fuel type report. Readers would benefit in knowing more specific outage information, if there are outages of significant duration and significant MW impact.

Agenda Item 4: Any Other Items

IESO staff presented the latest update of the FOMS project.

IESO reported that new demand forecast tools are now expected for November 2007.

Agenda Item 6: Next Meetings

The next meeting is scheduled for October 17, 2007. (is now scheduled for October 22, 2007)

It was felt that the ongoing tentative schedule for future meetings will plan meetings to take place during the first month of each quarter (Jan, Apr, Jul and Oct). This timing will accommodate Outlooks published close to the market rule deadline, or Outlooks published a few weeks earlier.

Tentative proposed meeting dates for 2008 are:

- January 16, 2008
- April 16, 2008
- July 16, 2008
- October 15, 2008