

# Report on Performance of the DACP

SAC Meeting December 5, 2007  
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# Day Ahead Commitment Process - Background



- **Events in 2005 underscored the challenges that could be faced in providing a reliable supply of electricity in Ontario**
- **Development of a Day Ahead Commitment Process (DACP) was a cornerstone of the reliability initiatives undertaken for the summer of 2006**
- **Based on stakeholder work of SE-22 “Assessment of the DACP”, IESO Board decided November 17, 2006 to continue the DACP until a program with the same reliability benefits came into service.**

# DACP Background - Reliability Objectives



**The DACP was introduced to enhance reliability through day-ahead import and generator commitment. The IESO developed three main criteria to assist in determining whether this objective was met.**

- Imports were able to be scheduled day-ahead,**
- Import failures were reduced, and**
- Sufficient internal generation was online to meet demand.**

# DACP Reliability Objectives – Results from the summer of 2007



- **Imports were able to be scheduled day-ahead**
  - 181,793 MWh of imports scheduled day ahead, up 265% from 2006
  - Importers are finding increased value to schedule day ahead
- **Import failures were reduced**
  - Total failure rate fell from 8.6% in 2005 to 6.6% for 2007, remaining steady from 2006
  - Day ahead transaction failure rate continued to fall to 0.1% down from 0.8% in 2006. This compares to a real time failure rate in 2007 of 7.3%
- **Sufficient internal generation was online to meet demand.**
  - On peak day of the summer 98.4% of generation was economically scheduled day ahead, consistent with 2006 results.

**The DACP continues to meet all three reliability objectives.**

# DACP Reliability Objectives - Costs

## Results from the summer of 2007



- **Total intertie offer guarantee (IOG) costs for 2007 were \$10.85 Million down from \$39.90 Million prior to inception of the program, not unexpected due to continuing convergence between pre-dispatch prices and real time prices.**
- **The increase in cost to the market for offering the day-ahead generation cost guarantee (DA-GCG) has been approximately \$7,500 per start from 2006. Although DA-GCG costs decreased over the period, lower market revenue has contributed to the increase.**

# Reviews Underway

- **Efficiencies of DA-GCG and real time spare generation on line (RT-SGOL)**
  - Has been undertaken in DAM discussions with stakeholders engagement plan SE-21
- **Effectiveness of offering Financially Binding Status and the day-ahead intertie offer guarantee (DA- IOG) offset exemption**
  - On the initiatives list for the Intertie Trading Standing Committee
- **IESO day ahead demand forecast performance**
  - Stakeholder input received via SE-28, new tools and processes in place by end of 2007