

July 11, 2012

Independent Electricity System Operator
Stakeholder Engagement

Re: SE 91 DTWG - Market Schedule for Dispatchable Variable Generators

OPG appreciates the opportunity to provide comments on the IESO's stakeholder engagement initiative relating to the effective integration of renewable generation.

Decisions made in the DTWG, especially related to quantities introduced in the constrained and unconstrained schedules, directly impact market prices and production costs and may financially impact all categories of market participants. Discussions relating to the market schedules should take place in a broader stakeholder forum where all participants have a voice.

OPG encourages the IESO to provide additional information on the specific variables used for the calculation for both schedules in all cases of variable generation operation in the predispatch and dispatch timeframes. These cases include, but may not be limited to:

- Normal operation – no economic or security constraint
- Security constraint
- Out of merit economic constraint – occurring when wind is dispatched down in the place of higher priced nuclear units (as per Floor Price Working Group presentation material)
- Economic constraint
- Dispatch interval following the cessation of an economic or security constraint

With variable generators becoming dispatchable, the relationship between the constrained and unconstrained schedules becomes important in the calculation of CMSCs. In previous communications, the IESO indicated that a subsequent, detailed CMSC conversation is to take place. OPG encourages the IESO to provide details on constraint payments prior to drafting market rules.

In summary, OPG believes that there are significant complexities introduced by a new type of scheduling mechanisms using persistence forecasting, 5-minute forecasting, and telemetry snapshots. As these mechanisms affect market outcomes and the determination of clearing price, OPG believes a comprehensive explanation of the derivation of the two schedules is imperative in providing participants with a transparent view of the operation of the market when variable generation becomes dispatchable.

Regards,



David Peterson
Manager, Market Monitoring
Ontario Power Generation