

### **Introduction**

The Renewable Integration initiative is designed to prepare Ontario power system operations and the IESO-administered markets to accommodate new renewable and variable generation. The IESO is moving forward with discussions in three areas related to renewable generation integration, as appropriate:

**Forecasting** – The ability to predict output from variable generation resources is essential for maintaining system reliability and market efficiency

**Dispatch** – Integration of variable generation into economic dispatch models should help resolve issues like surplus baseload generation, transmission loadings and operational needs such as ramping.

**Visibility** – New processes such as direct telemetry, meteorological data and reporting may be needed to ensure visibility of large-scale wind and solar generators.

The Focus Group will enable the IESO and stakeholders to engage on the specifics of how design principles will be implemented, similar to previously established Working Groups. However, the Focus Group will have an open membership, and is expected to have a greater number of participants. This Focus Group will discuss the design details associated with Principle 10 of the [Renewable Integration Design Principles](#).

The scope of the discussion will be limited through the Focus Group Terms of Reference, but the FPPG will not be limited in terms of membership and participation. The IESO will summarize and report on the outcomes of the Focus Group to all stakeholders participating in the SE-91 consultation. Other relevant stakeholder forums such as the Technical Panel and Stakeholder Advisory Committee will also be engaged, as appropriate.

Background information on SE-91 Renewable Integration can be found on the SE-91 web page at: [http://www.ieso.ca/imoweb/consult/consult\\_se91.asp](http://www.ieso.ca/imoweb/consult/consult_se91.asp)

## 1. Objectives, Scope and Deliverables

### Objectives

The Floor Price Focus Group will focus on:

- Defining, generally, the main limitations of wind, must-run-hydro, nuclear, and solar, which must be respected by the dispatch process to prevent equipment damage, ensure public safety and maintain compliance with application legislation and regulations.
- Defining the relative dispatch order necessary to efficiently respond to periods of surplus baseload generation, transmission restrictions and other operational needs while respecting the limitations defined above.
- Defining the conditions under which the IESO would institute floor prices for offers made by baseload generators and the means by which such floor prices would be implemented.
- The effect of loss penalty factors on dispatch priority.

The recommendations that are developed through the Floor Price Focus Group will provide the basis for market manuals and rules that may follow. To ensure that Market Participants have a full perspective and appreciation for the overall impacts and intent of any market rule changes, the IESO will only bring forward the market rule amendments following the finalization of recommendations completed through the Dispatch Technical Working Group.

### Scope

The FPPG serves as a forum for IESO staff to receive feedback and information on aspects of developing a relative order on floor prices for offers made by baseload generators as it relates to SE-91, and to seek stakeholder input.

The FPPG also serves as a forum for members to seek clarification from the IESO on the design details as proposed through the discussion paper, "[Dispatch Order for Baseload Generation](#)".

The FPPG will focus discussion on details associated with Design Principle 10:

Principle 10:

*The IESO may establish various floor prices for offers from baseload generators (e.g. wind, must-run hydro, nuclear, etc.) to ensure efficient dispatches during periods of local and/or global surplus baseload generation (SBG) events.*

The implementation of floor prices, or any other mechanism proposed by the FPPG to establish a dispatch order, is anticipated to be limited to wind, must-run-hydro, nuclear, and solar.

Items that are considered out of scope and not to be considered by the Focus Group are:

- [Renewable Integration Design Principles](#) previously discussed and finalized through SE-91.
- Design details not associated with Principle 10. These Design Details will be discussed through other working groups or venues as required.
- Existing dispatch processes and methodologies impacting the current operation of traditional generation within the IESO-administered markets.
- Items being discussed in other active IESO stakeholder consultations

### Deliverables

The Focus Group will be responsible for providing input, as required by the IESO, for the purposes of developing a relative order for floor prices for offers made by baseload generators. Specifically, the members of the Focus Group will provide relevant experience, insight and analysis necessary for the development of comprehensive designs, Market Manuals and Market Rules as appropriate.

## **2. Governance of the Working Group**

To ensure openness, accessibility, and transparency to an issue that affects many types of market participants, the IESO will not limit the number of attendees directly involved in the FPFG.

- Membership will be open to any participant that would like to provide insight and advice based on their experience in the sector.
- Meetings are expected to take place on a monthly basis.
- Participants will be allowed to provide input at the meeting or through correspondence by sending an e-mail to: [stakeholder.engagement@ieso.ca](mailto:stakeholder.engagement@ieso.ca).

Participants of the FPFG should initially plan on attending up to 3 regularly scheduled meetings from November 2011 to January 2012.

### **IESO Sponsor**

Name	Title	Department	Phone Number	E-mail
Darren Finkbeiner	Manager	Market Development	905-855-6190	darren.finkbeiner@ieso.ca

This IESO management contact is responsible for either implementing recommendations from the group or for the delivery to higher authorities, e.g., the IESO Board of Directors. All views will be fully communicated to decision-makers prior to decisions being made.

### 3. Organization and Administration of Meetings

- IESO staff will chair the meetings. The Chair may act as the facilitator for the meeting, or a separate independent facilitator may be used. The Chair or facilitator will be responsible for the role of a time keeper.
- The Chair will ensure all meeting support material is circulated in advance to the group members. The intent is to provide meeting materials five working days in advance along with a draft agenda. Meetings may be a combination of face-to-face, webcasts, and conference calls. For face-to-face meetings, attendance may be in person or via teleconferencing facilities (identified in advance).
- The agenda will state the names of the sponsor, chair and facilitator, the purpose and objectives of the meeting, and agenda items to be discussed indicating which items are for information purposes and those where the IESO is looking for input and indicate any pre-meeting requirements (e.g., members attending are expected to have read a document prior to attending or to gather input from others).
- The Chair, or a delegate, will take meeting notes including actionable items and their resolution. Draft meeting notes, including any accompanying written submissions, will be posted on the IESO website. The intent is to have the draft minutes available within four business days following a meeting. Members should ensure their comments are properly captured in the meeting notes. Participants will be given the opportunity to provide their feedback. The Chair will finalize the minutes upon receipt of feedback and will then post the final minutes and related written submissions for participants prior to the next meeting.
- Materials may be sent to participants for comment without a formal meeting being held. In this case, members are expected to respond with comments based on the identified timeframe.
- The group will adhere to the IESO stakeholder engagement principles:  
[http://www.ieso.ca/imoweb/consult/stakeholder\\_principles.asp](http://www.ieso.ca/imoweb/consult/stakeholder_principles.asp)
- All participants are to come prepared to the meeting.
- Any participants may, from time-to-time, be requested to provide written submissions to support their position in order for all participants and the IESO to clearly understand the merits of the issue at hand and any solution being proposed. Any written submission will be provided within the time frame specified (five working days in advance of scheduled meeting).
- Meeting minutes and materials, once finalized by the chair and distributed to FPFG participants, will be posted on the IESO public SE-91 web site.
- All members are expected to follow these terms of references which will be posted on the SE-91 web page.

#### 4. Normal Order of Meeting

- The Chair shall ask attendees to introduce themselves to determine who is present, including those participating remotely.
- The Chair will identify any item(s) of note from the previous meeting and address any outstanding action items.
- The Chair shall note any new items that are on the agenda in the order that they appear on the agenda. Members may request for additional items to be added under new business on the agenda.
- The Chair or facilitator will manage the meeting to ensure everyone has a voice at the meeting and no one dominates the discussions.
- Comments from participants of the FPFG are considered to be the comments from the company they represent. Otherwise, the member will clearly identify the source of the comment.
- Comments or concerns raised by participants may be written on flip charts or whiteboards for all in attendance at the meeting to see. The Chair, moderator, facilitator, or note-taker should seek confirmation that the notations or notes accurately summarize the issue. The Chair will check with the participant to make sure the point has been adequately captured.
- All participant comments will be documented in the notes and posted (where appropriate to the meeting objectives).
- At the conclusion of the meeting, the Chair will close with a summary, identify the agreed-to action items, and inform members of the next steps as well as next meeting date. Developing a draft agenda for next meeting is optional, depending on when the next meeting is.
- The primary purpose of this Focus Group is to provide advice to the IESO on design details associated with SE-91 – Renewable Integration. Therefore, there will be no voting and no requirement to achieve consensus.