

**The purpose of this report is to illustrate the current treatment of Priority Exports in the Ontario Market. This report will also discuss the removal of Priority exports and possible market implications of doing so.**

## **Priority Exports**

Priority exports are transactions with an interchange bid at +MMCP (\$2000) for export out of the Ontario market. Currently, pre-dispatch will schedule these exports even if an OR shortfall is forecast. This will require the control room operator to make these transactions recallable in order to minimize the OR shortfall. This will inevitably result in the manual curtailment of these exports as neighbouring jurisdictions have ceased to accept recallable transactions. Because the IESO is aware that these transactions will be curtailed we wish to remove priority exports altogether. The IESO has provided the IJTSC with two options:

1. Priority exports used for linked wheels only. Under this condition, if pre-dispatch indicated an OR shortfall condition, exports would not be scheduled to satisfy the OR requirement but linked wheels would continue to be scheduled. If there is a security concern on the system, scheduled exports would either be made recallable and consequently curtailed or not scheduled at all.

**Result:** Linked wheels continue to bid \$2000, and exports could bid no higher than \$1999.99

2. Eliminate priority export transactions altogether. This would allow linked wheels and exports to fairly compete for scheduling during pre-dispatch and curtailments in real time as the IESO scheduling tool would no longer treat transactions bid at +MMCP any differently than those bid at a lesser price. If there is a requirement to curtail transactions in real time, linked wheels and export would be curtailed pro-rata.

**Result:** Linked wheels and exports could continue to bid \$2000 however the IESO tools would not deem them as priority exports.

The following scenarios are being presented to illustrate the impacts of the above two options.

### **Scenario 1**

An OR shortfall is scheduled in pre-dispatch:

Assume the quantity of exports bid are identical to the amount of OR shortfall.

Currently:

Both linked wheels and priority exports would be scheduled in pre-dispatch. Exports would be made recallable and consequently curtailed and linked wheels would continue to flow.

Option 1:

Linked wheels would be scheduled in pre-dispatch and no exports would be scheduled in order to meet the OR shortfall.

Options 2:

Linked wheels and exports would be treated equally and scheduled on a pro-rata basis until the OR requirement is met.

### **Scenario 2**

An OR shortfall appears in real-time that was not scheduled in pre-dispatch:

Assume the quantity of exports bid are identical to the amount of OR shortfall. Assume no other exports have been bid

Currently:

Linked wheels would flow and exports may be curtailed for adequacy

Option 1:

Linked wheels would flow and exports may be curtailed for adequacy to meet the OR shortfall.

Option 2:

Linked wheels and exports may be curtailed for adequacy on a pro-rata basis to meet the OR shortfall.

### **Scenario 3**

Congestion on the interface requires the curtailment of export transactions in real time.

Assume the quantity of exports bid is identical to the amount of relief required to manage the interface.

Currently:

Linked wheels and exports would be curtailed on a pro-rata basis to relieve congestion on the interface.

Option 1:

Linked wheels would flow and exports would be curtailed for security on the interface.

Option 2:

Linked wheels and exports would be curtailed for security on a pro-rata basis to relieve congestion on the interface.