

June 21st, 2018

MAG Energy's Feedback to Enhanced Real-time Unit Commitment

MAG Energy would like to take the opportunity to comment on the ERUC presentation of May 24th regarding design element #5: intertie transactions. While MAG appreciates the answers given by the IESO during the meeting, it still seems valid to aim for a better forecast of intertie schedules at T+3 and beyond.

DAM schedules are determined the day before at around 13:00. Those schedules will follow forecasted market conditions and limitations at that time, which can drastically change in RT. For example, suppose that at the closing time of the DAM, the forecasted capacity of the ONT-MISO transmission line is 600 MW for the next day. This forecast results in only 600 MW bought in the IESO DAM for every hour. However, in real-time, the transmission line capacity is back at 1400 MW and is fully scheduled. There will be an 800 MW difference between the T+3 forecast capped at 600 MW and the T+2 schedules of 1400 MW. This difference will come up at each hour of the day, most probably resulting in non-efficient unit commitments and price signal imprecisions. Since the information was available to make more efficient schedules, the current proposal of excluding non-DAM intertie transactions from the PD evaluation for T+3 and beyond does not seem to be the best option available.

If IESO's objective is to use the best available forecast for intertie flows at T+3, there can be other solutions than to evaluate intertie transactions up to their DAM schedule and these should be considered before a final decision is made. The IESO could also look at how other markets using forecasted prices, such as NYISO, evaluate intertie flows prior to schedules. The IESO could explore alternative options to determine the maximum MW evaluated at T+3 and beyond such as up to actual average flow per intertie in the previous hours in RT. Also the IESO could reevaluate a few months after the new market is deployed what is the best option to produce accurate forecast at T+3 between up to DAM schedules or up to a flow average of the previous hours.

Thank you for the opportunity to discuss this matter with the IESO.

Regards,

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