

IESO Engagement

From: [REDACTED]
Sent: September 9, 2016 1:39 PM
To: Ryan King; IESO Engagement
Subject: RE: Enabling System Flexibility Comments

Developing a flexibility product that allows existing, contracted gas resources to participate is important to meeting the IESO's targets for flexibility by 2017. The current supply-demand dynamic results in low utilization of the installed natural gas generating assets across much of the year; assets which are financially supported by the ratepayer through IESO contracts. Leveraging these assets, and the fixed cost investment that is committed to and by these assets, has the potential to provide a cost-effective solution to providing flexibility.

A system flexibility product that leverages these assets must consider supporting alternative operating configurations of registered gas resources such that:

- Combined cycle facilities that can operate in simple cycle mode (either with some capital investment, some configuration changes, or otherwise) may register a gas-fired resource both as a CCGT for energy and OR and a SCGT for the flexibility product.
- The flexibility product recognizes the mutual exclusivity of a simple cycle flexibility schedule and a combined cycle energy/OR schedule
- The technical characteristics of the resource in CCGT or SCGT mode may be different, for example, MRT, MLP, # starts/day, etc.
- There is optimization of flexibility vs. energy/OR products in scheduling
- Program registration (ie. SGOL and DACP with combined cycle operation) does not limit the ability to participate in alternative modes of operation
- Commercial contract terms are not negatively impacted by the opportunity to supply a flexibility product to the IESO

Such a product may allow existing, contracted assets to take advantage of firm gas supply and transportation arrangements that may be underutilized as a result of the low capacity factor in the shoulder seasons.