

Non-emitting Resources Subcommittee Meeting Summary - September 21, 2018

Date held: September 21, 2018	Time held: 10 am – 12 pm	Location held: Webinar
Attendees	Company Name	Attendance Status – (A)ttended;(T)eleconference; (Webex) attended via Webex
Carr, Daniel	Alectra Utilities	Webex
Luukkonen, Paul	Amp	Webex
Brooks, Jake	APPRO	Webex
Ania, Asier	Boralex Inc.	Webex
Giannetta, Brandy	CanWEA	Webex
McKay, Phil	CanWEA	Webex
Withrow, David	Customized Energy Solutions	Webex
Thornton, David	EDF Renewables Canada Ltd.	Webex
Little, Ken	EDP Renewables Canada Ltd.	Webex
Shalaby, Amir	Elenchus	Webex
Watkins, David	Enbridge	Webex
Langelaan, Deborah	ENGIE Canada	Webex
Spence, Garry	EverGreen Energy Corp	Webex
Bajc, Frank R.	GC Energy	Webex
Matthiesen, Erick	General Electric Renewables	Webex
Somerville, Stephen	H2O Power	Webex
Belanger, Frederic	HQEM	Webex
Bowman, Stuart	Hydrogeneration Inc.	Webex
Hariri, Adam	London Economics International LLC	Webex
Freeman, David	Ministry of Energy, Northern Development and Mines	Webex
Weir, Ben	Ministry of Energy, Northern Development and Mines	Webex
Adi, Sana	Ministry of Energy, Northern Development and Mines	Webex
Norris, Paul	Ontario Waterpower Association	Webex
Chee-Aloy, Jason	Power Advisory LLC	Webex
Cumming, Alison	Power Advisory LLC	Webex

Date held: September 21, 2018	Time held: 10 am – 12 pm	Location held: Webinar
Attendees	Company Name	Attendance Status – (A)ttended;(T)eleconference; (Webex) attended via Webex
Laflamme, Serge	Rayonier Advanced Materials	Webex
Coulbeck, Rob	RC Energy Markets Consulting	Webex
Luther, Andrew	Siemens Gamesa Renewable Energy	Webex
Hiltz, Bonnie	Sussex Strategy Group	Webex
Kuntz, Margaret	TransCanada Energy Ltd.	Webex
Mikkelsen, John	TransCanada Energy Ltd.	Webex
Ford, Nathan	TransCanada Energy Ltd.	Webex
Rasmussen, Terry	Virtual Power Plants Inc.	Webex
Chang, Judy	The Brattle Group	Webex
Oates, David Luke	The Brattle Group	Webex
Spees, Kathleen	The Brattle Group	Webex
Chapman, Tom	IESO	A
Louw, Brennan	IESO	A
Hartland, Mark	IESO	A
Grbavac, Jason	IESO	A
Zubyck, Laura	IESO	A
Prepared by Laura Zubyck. Please report any corrections, additions or deletions by e-mail to engagement@ieso.ca .		

All meeting material is available on the IESO website at: <http://www.ieso.ca/Sector-Participants/Market-Renewal/Non-Emitting-Resources-Subcommittee>

Introduction – Jason Grbavac, IESO

The IESO welcomed participants and described the format of the meeting.

Review of Agenda and Meeting Objectives – Tom Chapman, IESO

The IESO reviewed the meeting agenda and outlined the morning’s objectives.

Modelling Ontario's Future Electricity Market – Judy Chang and David Luke Oates, The Brattle Group

The Brattle Group walked stakeholders through the refined modelling scenarios based on stakeholder feedback received from the August 16th meeting and presented the detailed assumptions based on these refined scenarios.

A participant asked why hydroelectric was not included as a technology in the revised scenario assumptions for the reductions in costs for non-emitting resources.

Brattle responded that slide 23 of the presentation gives information on the detailed assumptions by resource for the decline in capital costs over time, including for hydro. Brattle added that these assumptions are based on data from ENREL and requested feedback from participants on the relevance of these assumptions for Ontario.

A participant asked why Brattle is not using the comprehensive summary of the expected supply and demand forecasts presented at the recent IESO Planning Conference for the analysis.

The IESO added that a considerable amount of time has been spent with the planning group regarding the assumptions and they feel confident that for the goal of this exercise they are in necessary alignment.

A participant commented that the gas capacity price reflected on slide 10 appears to reflect the cost of new entry for combined cycle, and suggested that if the assumption is that most of these assets are not constructed new then the capacity price should reflect an extension, not new entry.

Brattle responded that the general approach is to apply global adjustment costs only to existing, regulated contracted resources and for new investment they are assuming that investment will be driven by market signals. Brattle concluded by saying this is why the intention of the capacity prices is to be reflective of new investment rather than extended contracts.

A participant asked how behind-the-metre (BTM) resources play into the capacity requirement in the capacity market in scenario 5.

Brattle responded that in the “active wholesale participation” case, gross demand in the market will be represented as the total capacity need and BTM, as well as in front of the meter resources, will be selling capacity into the market. In the “no wholesale participation case”, the net load will be treated as the requirement in the capacity market and as those BTM resources won't be selling capacity. Brattle concluded by saying they are open to feedback on this approach.

A participant commented that load growth in the Northwest is predominantly based on the expansion of mining and asked if a separate exercise for scenarios on load growth for that area can be done.

The IESO thanked the participant for their input and comment and advised that this is something they will consider.

A participant asked if Brattle has run GE MARS to check the 1.9 GW of external interties, and whether that has been adjusted based on experience in NYISO/PJM/ISO-NE or if it is just based on historical power flows.

Brattle responded that they haven't run MARS or any production simulation model to check the 1.9 GW of external interties, and added that it is based on historical power flows. Brattle continued by stating that the 1.9 GW is for modelling capacity imports, which is different from modelling energy imports from adjacent regions.

A participant asked if the capacity values shown on slide 22 are based on capacity at peak (UCAP) or nameplate capacity.

Brattle responded that they represent nameplate, or installed, capacity.

Conclusion and Wrap-up – Tom Chapman, IESO

The IESO thanked all participants and welcomed feedback from all stakeholders. Feedback should be sent to engagement@ieso.ca.