

IESO Engagement

From: IESO Engagement
Sent: December 16, 2016 2:37 PM
To: Ramanan 'MU\YbXfUb; Neil 'WccX
Cc: IESO Engagement
Subject: RE: SE Feedback to IESO: Use of a Variable Peak/Average Forecast and Adequacy Report Updates

Neil,

Thank you for your email. Please find below IESO responses to your feedback on this initiative.

Response to Peak Demand Hours:

The peak hours will be selected for the first run of pre-dispatch (at 15:07 EST), after the day-ahead commitment process. The 300 MW threshold will apply to any changes that are made to the Peak and Average forecasts (for example, an hour defined as a peak hour in the 15:07 run of pre-dispatch may not be a peak hour in a later run of pre-dispatch). The 300 MW will only apply to hours in which demand is ramping up within the hour.

Response to Variable Generation:

The 500 MW threshold was determined through analysis of the last two years of data, and is a factor of the size of the wind fleet and the nature of forecasting. Forecasts in the 0-500 MW range tend to be over-forecasted by 10%, therefore a penalty of 10% will be applied. At 500 MW, the forecasts switch gradually to being under-forecasted. This will be applied only to forecasts for days 2-7.

To continue to provide transparency on the centralized forecast for days 2-7, we are looking into creating a public report to publish this forecast, similar to the VG Forecast Summary Report on the IESO website. For simplicity, we will not be adding a row to the Adequacy Report to address this issue.

Thanks - Jason
IESO Engagement

-----Original Message-----

From: MAHENDRAN Ramanan(R) - BRUCE POWER
Sent: December 09, 2016 3:21 PM
To: IESO Engagement
Cc: WOOD Neil(NN) - BRUCE POWER
Subject: SE Feedback to IESO: Use of a Variable Peak/Average Forecast and Adequacy Report Updates

Please find attached Bruce Power's response to IESO Webinar re: Proposed Changes to Peak Demand Hours and Adequacy Report presented November 25th, 2016.

Thank you,
Sent on behalf of Neil Wood, Manager Portfolio Risk Management, Bruce Power

Ramanan Mahendran, MSc, FRM | Senior Risk Management Analyst | Bruce Power |
<< File: Bruce Power Response to IESO Proposed Changes to Peak Demand Hours and Adequacy Report.pdf >>



December 9th, 2016

**Bruce Power Responses to
IESO Webinar re: Proposed Changes to Peak Demand Hours and the Adequacy Report
Presented November 25th, 2016**

Bruce Power appreciates the opportunity to submit the following feedback regarding the IESO's proposed changes to peak demand hours and the adequacy report.

Peak Demand Hours

It is understood that the IESO intends to switch from the existing fixed-set of peak demand hours defined in Market Manual 4.2 to a more dynamic selection of peak hours. During the webinar, the IESO stated that the peak hours will now be selected in the day-ahead; however there was no specification as to which day-ahead run would be used for scheduling generation. We would appreciate confirmation as to which version of the day-ahead adequacy report will be used for scheduling going forward.

Through the presentation, it is stated that the peak demand forecast will be used for any hour in which the peak demand is greater than the average demand by at least 300MW. The example on slide 17 of the presentation refers to morning ramp hours when demand is increasing within the hour. Given that the peak demand may occur at the top of the hour, we would like to confirm that this threshold and methodology will apply regardless of whether demand is ramping up or down within the hour.

Variable Generation

The IESO proposed changes to the reporting of forecasted wind generation for days 2-7, wherein the IESO intends to utilize the lesser of their centralized forecast and contribution factor forecast. Bruce Power recommends that the IESO continues to provide transparency on their centralized forecast for days 2-7 as this is a true reflection of the expected wind capability. One solution may be to add another row to the adequacy report which reflects the new proposed methodology while maintaining the existing row which reports the centralized forecast. Bruce Power would also appreciate a more thorough explanation specifying the constituents of this change.

In regards to the proposed penalty reduction on the IESO wind forecasts, Bruce Power would like to understand how the IESO determined the 500MW threshold and the 10% penalty factor, as well as confirm whether this penalty would only apply to days 2-7. If it is intended to be used for scheduling days 0-1, Bruce Power recommends that the IESO reviews the potential benefits of applying penalties in periods where the forecasted hourly change in wind capability is expected to exceed a certain fixed threshold or percentage of load, particularly during hours



where load is increasing or decreasing. Please confirm whether this option has already been taken into consideration and if not, provide an explanation.

Sincerely,

Neil Wood
Manager, Portfolio Risk Management