

IESO Engagement

From: IESO Engagement
Sent: December 16, 2016 2:25 PM
To: tjhilbig@gmail.com
Cc: IESO Engagement
Subject: FW: Proposed IESO Adequacy Report Updates

Tom,

Thank you again for your feedback on this initiative. Please find below the IESO responses to your input and questions.

Thanks – Jason
IESO Engagement

From: Tom Hilbig
Sent: December 02, 2016 1:24 PM
To: IESO Engagement; Monique Chugh
Cc: Yuri Holowatsky; Logan Tassie
Subject: Proposed IESO Adequacy Report Updates

Monique Chugh,

Thank you for organizing the stakeholder presentation for the proposed updates to the IESO Adequacy Report, and for following up separately with a telephone conversation with us. This report is one of the most valuable sources of forecast data used by all classes of participants.

My comments are focused on the proposed reporting of Peak and Average Forecasts.

We understand from our conversations that you are proposing to add a new Ontario Demand Forecast hourly value to represent a hybrid forecast of either average or peak forecasts, depending if the hour is a ramping hour or not, and that this value will also include manual forecast adjustments made by IESO operators. This hybrid would be the primary forecast used by the Dispatch Scheduling and Optimization (DSO) algorithm in scheduling resources and Intertie transactions, as well as establishing hourly forecast prices in the pre-dispatch window.

Some of the key changes you propose are as follows,

- The anomalies found today that result from the Average Demand and the Peak Demand coming from separate sources would be fixed in 2017 Q1.
- A new Ontario Demand Forecast MW value would be published for each forecast hour, which would be based on the peak demand (for ramping hours) or average demand (for non-ramping hours).
- Manual forecast adjustments made by IESO operators would be reflected only on the new Ontario Demand Forecast value. Neither the Peak Forecast nor Average Forecast values would reflect these manual adjustments.

The proposed determination if an hour is ramping or not will be determined each hour, as such;

- Ramping Hour is when Peak > Average by at least 300 MW
- Non-Ramping Hour is when Peak > Average by less than 300 MW

Our preference would be to ensure manual adjustments also be reflected in both the Peak Demand and Average Demand – to ensure consistency across all forecasts. Most participants are primarily interested in having an accurate Average Demand forecast. Without an accurate Average forecast we would have to work backwards to determine how much the manual adjustment was and then apply that to the IESO Average forecast.

IESO Response: Thank you for your feedback. We considered your suggestion and feel that adjusting only the Forecast Ontario Demand row provides transparency to market participants on when the forecast has been manually adjusted. This transparency would not be possible if we were to adjust all three forecasts. We believe that by providing the flag/attribute (addressed in the second point below), market participants will be able to interpolate the Average forecast, if required.

Second, the new Ontario Demand Forecast data should include a flag that explicitly shows if it is based on either the Peak or Average demand. This would remove any ambiguity as well as remove the need to hold the IESO operator to the 300 MW hard-coded threshold, listed above, as there may be exceptions to this rule from time to time. The IESO Realtime Market Price Report is an excellent example where a similar flag is already used to identify whether the MCP was set by the DSO or by an ADMIN action, and is also used to by the HTML translation to show Administrative prices in red font. The new Adequacy Report could include a similar flag.

IESO Response: Thank you for your suggestion – A flag/attribute will be included for the new Forecast Ontario Demand data which will indicate if it is based on the Peak or the Average demand forecast. This flag has been included in the Adequacy Report Schema file that was published on the Report Listing page of the IESO website on December 13th.

http://reports.ieso.ca/public/RealtimeMktPrice/PUB_RealtimeMktPrice_2016113016.xml

Below is a snippet of the XML from the above report, showing Interval 4 as administratively set.

```

<IntervalPrice>
  <Interval>4</Interval>
  <MCP>32.98</MCP>
  <Flag>DSO-RD</Flag>
</IntervalPrice>
<IntervalPrice>
  <Interval>5</Interval>
  <MCP>32.98</MCP>
  <Flag>ADMIN</Flag>
</IntervalPrice>

```

Again, thank you for allowing our input. Please feel free to call me if you have any questions.

Best regards, Tom Hilbig

Sygration