

IESO BUSINESS UPDATE

To: Stakeholder Advisory Committee

From: Leonard Kula, Director, Market Operations
on behalf of Kim Warren, VP, Market & System Operations

Date: July 31, 2015

Subject: Gas-Electric Coordination Enhancements

Information Item

The IESO has launched a stakeholder engagement initiative to seek input on a proposed process to enhance coordination efforts among the natural gas generators and pipeline companies. With an increased reliance on natural gas generation to meet Ontario's supply needs, the IESO is looking to better identify and manage risks to gas fuel supply in advance of extreme conditions on the power system.

These proposed coordination efforts form part of the IESO's incremental steps taken to address the changing characteristics of the power system supply mix as evidenced through the elimination of coal-fired generation, the development of gas-fired generation and an increase in the renewable energy supply. For example, the renewable integration initiative (RII) has addressed many of the challenges associated with the large penetration of wind and solar generation.

For the last decade, we have been working with the gas pipelines in Ontario to strengthen coordination between the natural gas sector and the electricity system operations. These efforts have taken on increased importance as the penetration of gas-fired generation has increased. Enhanced coordination and communication efforts among gas and electricity resources will now be required to help meet planning efforts to manage risk and reliability for Ontario's integrated power system. Stakeholder discussions and feedback have been incorporated to help shape these efforts.

At a webinar on July 28, the IESO presented a high level process/protocol design, taking into account stakeholder feedback, to share gas generator schedules with pipelines to help support the IESO's operational needs. This protocol is proposed to be activated only for those instances in advance of extreme conditions on the power system.



Stakeholders were invited to submit further comments on this proposed process by August 14. The IESO will response to stakeholder by the end of August.

It is anticipated that a new process will be in place for the 2015-2016 winter operations. For more information visit the Gas-Electric Coordination Enhancements stakeholder engagement initiative webpage at <http://www.ieso.ca/Pages/Participate/Stakeholder-Engagement/Gas-Electric-Coordination-Enhancements.aspx>