



Market Rule Amendment Written Submission

This form is used to provide comment on a *market rule* amendment under consideration by the *IESO*. Please complete all four sections of this form and submit the completed form by email or fax to the following:

Email Address: Rule.Amendments@ieso.ca
 Fax No.: (416) 506-2847 **Attention: Market Rules Group**
Subject: Market Rule Written Submission

All information submitted in this process will be used by the *IESO* solely in support of its obligations under the *Electricity Act, 1998*, the *Ontario Energy Board Act, 1998*, the *Market Rules* and associated policies, standards and procedures and its licence. All submitted information will be assigned the *confidentiality classification* of “Public” upon receipt. You should be aware that the *IESO* intends to *publish* this written submission.

Terms and acronyms used in this Form that are italicized have the meanings ascribed thereto in Chapter 11 of the *Market Rules*.

PART 1 – SUBMITTER’S INFORMATION

Please enter your organization and contact information in full.

Name: Barry Green, Ontario Power Generation

(if applicable) *Market Participant / Metering Service Provider* No.¹: _____

Market Participant Class:
Generator

Telephone: 416-592-7883

Fax: 416-592-8519

E-mail Address: barry.green@opg.com

PART 2 – MARKET RULE AMENDMENT REFERENCE

Type of Rule Amendment Being Commented on (please indicate with x):

Amendment Submission x Proposed Rule Amendment Recommended Rule Amendment

MR Number: MR-00299-00

This *Market Rule* number is located on the “Current Market Rule Amendment” web page.

Date Relevant *Amendment Submission*, Proposed or Recommended Rule Amendment Posted for Comment: October 6, 2005.

¹ This number is a maximum of 12 characters and does not include any spaces or underscore.

PART 3 – COMMENTS ON RULE AMENDMENT

Provide your comments.

The IESO has posted MR-00299 Operating Reserve Requirements – Regional Reserve Sharing for comments. In addition to general comments on the draft proposal, the Technical Panel is seeking stakeholder comments on whether no limit, a 50 MW limit, or a 100 MW limit is appropriate for this market rule amendment.

OPG considers it inappropriate to seek comments on the "no limit" alternative at this time since the NPCC rule change and the draft proposal both contemplate a maximum of 100 MW of Regional Reserve Sharing. OPG believes that if in future the IESO wishes to consider going beyond 100 MW it should submit a proposed rule amendment at that time.

OPG takes no position on the advisability, from a reliability perspective, of the decision to implement either 50 or 100 MW of Regional Reserve Sharing. We would suggest that the IESO adopt a slow and cautious approach with respect to this change, initiating only the 50 MW level initially for the following reasons:

1. The IESO has recently provided market participants with a great deal of information concerning the stresses to which the system was exposed during the summer of 2005 and is working diligently to design urgent new Day-Ahead Reliability Mechanisms to be in place by June 2006. As a minimum, this would suggest that the IESO should take a very conservative approach to its determination of when, whatever Regional Reserve Sharing it might choose to rely on, is "available and deliverable."
2. At the September 20, 2005 stakeholder session on Reliability, a number of market participants voiced concerns about the negative affects caused by 13 hours of 5% voltage reductions over the 2 days in August. In addition, the IESO's presentation "NPCC Regional Reserve Sharing Program" at the April 20, 2005 MOSC meeting indicated that a 100 MW reduction in the reserve requirement, "*may increase the number of instances where voltage reduction is implemented for contingency reserve*"^[1]. Therefore, before the IESO moves from 50 to 100 MW of Regional Reserve Sharing, we suggest that they take a comprehensive survey of all loads about the voltage reductions that they have experienced and consult further on the appropriateness of taking advantage of the additional 50 MW.
3. Although NPCC has approved reducing the OR requirement by up to 100 MW, the added complexity of IESO specific market constructs such as CAOR and handling of emergency control actions obligates the IESO to independently assess whether reducing the OR requirement in Ontario will result in acceptable reductions in reliability. In addition, the IESO needs to also consider the impact that reducing the OR requirement could have on future supplies of OR, given that OR revenues will be reduced.
4. There does not appear to be a requirement on the IESO to publish when they have changed the operating reserve requirement in accordance with the Regional Reserve Sharing program. The rule amendment should obligate the IESO to publish any changes to the reserve requirement as a result of opting in or out of the RRS program. This publication should be provided within an hour of any change.

PART 3 – COMMENTS ON RULE AMENDMENT

[\[1\]](#) Slide labelled “RRS – Implementation Issues, MOSC, April 20, 2005

PART 4 – EXTERNAL CONSULTATION MEETING

If you believe that a special meeting of stakeholders would be necessary/desirable to discuss the issues raised by the rule amendment, please complete the following information:

External Stakeholdering meeting necessary/desirable (please indicate with x):

Reason(s) why you believe a meeting is necessary/desirable: