

April 26, 2013

Independent Electricity System Operator
Stakeholder Engagement

Re: SE-109 Outage Management Process Redesign – Comments on Stakeholder Engagement Plan and Discussion Paper.

OPG would like to offer the following comments on the SE-109 Stakeholder Engagement Plan and the design principles presented at the April 17, 2013 meeting.

The timeline proposed for consultation in the draft engagement plan appears to be aggressive. The IESO needs to ensure that adequate time is given for discussion even if it results in the timeline being extended. As the outcomes from this stakeholder engagement may result in changes to proprietary software for OPG it is imperative that the process redesign is sufficiently detailed to minimize future changes.

Discussion Paper Comments

The current outage approval process is premised on the assessment of outage impact on the reliability of the IESO-controlled grid. To date participants are familiar with outage assessments being based on “system security” and “system adequacy”.

In the discussion paper, the IESO has made reference to an additional criterion, “operability”, to be included in the assessment process. If outage approvals are to be based on this additional factor the IESO must clearly define “operability” and provide this information in the 18 Month Outlook, SSR and SAA reports. It is critical that all market participants understand this new criterion and there is adequate transparency to support the continuing outage planning process. The proposed “operability” criteria, if implemented, should be non-discriminatory and not disadvantage market participants that have desirable operational flexibility. OPG feels that it is imperative that the outage assessment process not be used as a replacement for market based solutions.

Proposed Design Principles:

- 1. Framework designs will incent market participants to plan and commit outages further in advance.**

In principal, OPG is supportive of any mechanism that secures an advanced approval beyond the current 2 day/ 14 day approval process. A tiered confirmation process, shorter advance approval notification tied to a smaller confirmation window, should be structured to address the flexibility required for certain fuel types. Generation types with varying fuel supplies such as hydroelectric require flexibility in the timing of outage submissions and should not be disadvantaged. Also, the implication of confirming outages and then cancelling/rescheduling needs to be clearly defined.

- 2. Framework designs will provide better opportunities for market participants to coordinate their outages and avoid conflicts further in advance.**

To date the IESO has not been able to support generator /transmitter outage coordination more than 2 to 3 days prior to the start of an outage. The IESO has also been unwilling to provide sufficient resources or information on operating constraints to allow participants to adequately coordinate long term outage plans. Information that is publically available through the 18 month outlook, the Ontario Transmission System document and Market Manual 7.2 Appendix D is not of sufficient detail to meet OPG's needs and the information contained in SSR and SAA reports does not cover sufficient time period to support proper outage planning.

- 3. Framework designs will give market participants outage scheduling flexibility in a non-discriminatory manner.**

In principal, OPG is supportive of any flexibility that can be provided for non-impactive outages. The IESO will have to clearly define what types of outages will be included in this category and work with participants to identify other outages that are non-impactive but do not necessarily meet the definition. OPG questions if outages classified in this category will still require the IESO to be informed of the outage and would there be risk that these outages could still be refused.

- 4. Framework designs will allow sufficient time for the IESO to conduct outage assessments once outages are committed by market participants.**

In the text provided, the IESO has identified that "higher impact" outages require more assessment time. Will the IESO be providing criteria such that market participants are aware if their outage is considered critical and would require a greater assessment period? In the document provided outlining outage planning / approval processes in other ISOs a key component is the identification of outages as "critical" and "non-critical". The IESO will have to clearly define what outages are considered critical and should provide participant specific lists of critical outages.

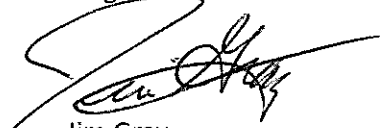
- 5. Short notice outage requests must satisfy emergent or immediate ICG benefit criteria in order to be assessed.**

The criteria for short notice requests will have to be clearly defined.

- 6. Framework designs will continue to address outage conflict resolution and cost recovery mechanisms for outages recalled or revoked by the IESO.**

The mechanism for conflict resolution should be clear, simple and not subject to IESO discretion. Currently cost recovery caps are set at outage confirmation i.e. 3 days prior to outage date. It may be that if confirmation occurs much further out from the outage start date cancellation and deferral costs may not be well known. If costs are submitted after the fact and auditable there may be no need to include these costs at confirmation.

Regards



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