

### **Feedback & Response on Materials Presented at the September 4, 2013 SE-109 Meeting**

On September 4, 2013 stakeholders were asked to provide feedback on changes to the Interim Process Redesign Proposal, the proposed criteria for Pre-Approval and communication mechanisms associated with outages requesting pre-approval. Feedback was received from the following stakeholders:

- Gerdau
- Ontario Power Generation
- Rob Cary & Associates on behalf of Cardinal Power
- Portlands Energy Centre

The following pages provide stakeholder feedback in verbatim. The feedback is grouped by the questions that stakeholders were asked to provide feedback on and IESO responses and actions that will be taken are provided in italics beneath each piece of feedback.

#### **1. Please provide feedback on the changes to the proposed Interim Process that were presented and discussed at the September 4 meeting.**

##### **Ontario Power Generation (OPG)**

The proposed changes to the pre-approved outage concept now require that outages meeting the criteria secure both advance approval and final approval to proceed. In OPG's opinion, with these changes, the Interim proposal if implemented will result in less scheduling flexibility than exists with the current outage management process. The Interim process will also likely require OPG to implement additional administrative process placing additional burden on resources and possibly costs to modify existing software for no overall benefit.

OPG's position is that the IESO should forego the proposed Interim process, i.e. continue using the current process, and focus on the final process and one-time implementation. This will allow the benefits of the new mid-term and near-term processes to somewhat mitigate the reduced flexibility associated with the near-term daily process.

OPG agrees that advancing the submission and approval times to 16:00 EST better reflects normal business hours, but for pre-approved outage the 16:00 EST approval time is too late for market participants to mitigate the impact of outage rejection. By this time of the business day all staff involved in planning, scheduling and executing outages are unavailable. Work authorities will not be notified of outage rejection until the outage day which provides no opportunity to redeploy staff or mitigate costs. OPG re-iterates its previously submitted comments that consideration should be given to moving the advance approval time to 14:00 EST.

OPG also suggests that the new defined term “pre-approval” is not appropriate. Based on the proposed changes the criteria only define outages that the IESO will accept for assessment on short notice.

*The IESO disagrees with OPG’s position that the interim process provides less scheduling flexibility by re-instating the requirement to request final approval. Although the request for final approval would not have been required under the initial concept for pre-approvals, final approval could always be revoked if system conditions changed such that the outage could no longer proceed. Re-instating the requirement to request final approval was in response to stakeholder feedback so that the criteria for pre-approval could be expanded in order to capture a broader variety of outages to be considered for pre-approval. Under the current software solution, the IESO would only be in a position to eliminate the request for final approval given a more restrictive criterion for pre-approval, effectively reducing the variety of eligible for pre-approval. The IESO believes this change best serves the interests of all market participants.*

*The IESO would like to clarify that under the existing software solution and proposed rule amendment, pre-approvals were always subject to an advance approval and that this approval would be subject to a reliability assessment primarily based on validation of pre-approval criteria. There is also an ongoing reliability assessment as any outage, including those with pre-approval, move into real-time and are always subject to revocation or recall based on changing power system conditions. The IESO acknowledges that increasing the variety of outages to be considered for pre-approval does imply that some of these outages will be subject to a reliability assessment that places less emphasis on validation of pre-approval criteria, but would still be primarily based on this validation. As a result, participants should still perceive outages requesting pre-approval to proceed with a high degree of scheduling certainty.*

*The IESO disagrees with OPG’s position to forgo the Interim Process. Although the process will not realize all of the benefits of the Final Process Redesign, the Interim Process provides the following benefits to all market participants:*

- *Improved coordination, communication and conflict resolution opportunities associated with a 2-day assessment timeframe*
- *Earlier approvals associated with a 3-day advance approval deadline for all planned outages*
- *IESO obligation to assess a subset of planned outages submitted on a shorter notice*

*The IESO agrees that the term pre-approvals under an Interim Process do not fully capture the concept as initially proposed, however these features will still be considered in the Final Process Redesign. As a result, the IESO proposes retaining the term for the Interim Process.*

*The IESO agrees with OPG’s recommendation to change the advance approval deadline for pre-approvals from 16:00 EST to 14:00 EST and have incorporated this change in the latest draft rule amendment proposal (please refer to [MR-00404-R00](#)). The IESO believes the obligation to assess pre-approvals within a shorter period of time can still be achieved given the lower reliability impact of eligible outages.*

### **Rob Cary and Associates (representing Cardinal Power)**

The IESO has indicated any outages requiring to be taken and that otherwise could have been requested as short notice outage requests (the example of a developing tube leak comes to mind) must under proposed rule amendments be taken as forced outages. The problem is compounded by the extension of final application deadline from 3 BD to 5 BD.

We have previously raised the generic issue that this appears to give the IESO reduced ability to influence in any way any outage whose timing may have some, but limited, flexibility.

The problem is further magnified if outage extension requests cannot be handled as short notice requests (please clarify if this is the case), so that all restart delays only evident within 5 BD of planned restart would be classified as forced.

We have just identified an additional concern for NUG facilities. We do not believe that this has previously been addressed under SE-109 or TP discussions. Typical PPA language penalises Suppliers if their capacity factor in on-peak hours that are not approved outages falls below a certain level. This proposed rule amendment effectively reclassifies certain outages from “approved” to “forced” and could therefore jeopardise achievement of required threshold levels. This has material commercial risk impacts.

*The IESO believes that unanticipated urgent outages, such as a tube leak, should never be submitted as a short notice planned outage request under the existing outage management process because:*

- *the submission does not reflect the true nature of the outage request;*
- *the submission receives the lowest level of priority; and*
- *the submission only obligates the IESO to assess it on a best effort basis.*

*These situations are by definition, a forced outage condition with time-sensitive flexibility.*

*The definition of a forced outage as per the market rules means an unanticipated, intentional or automatic removal from service of equipment or the temporary de-rating of, restriction of use or reduction in performance of equipment. If the market participant is suddenly made aware of an outage that must take place, it is considered to be a forced outage and will be treated with a higher priority than any other planned outage request. The IESO will work with the market participant to schedule the outage from the time of notification but no later than the time that the equipment must be removed from service.*

*The IESO considered introducing ‘urgent’ outages as a subset of ‘forced’ outages in the Interim Process to differentiate between forced outages identified on the day-at-hand versus day-ahead, however the software changes to the existing solution that would be required to achieve this could not be supported. It is proposed to still introduce this concept in the Final Process Redesign and supporting software solution.*

*The IESO believes that any contractual implications associated with a forced outage are the market participant's risk to manage and that removing the ability to request an outage on short notice does not increase the commercial risk to the participant since the IESO does not have an obligation to assess them. Since the IESO does not have an obligation to assess a short notice outage, an outage that must inevitably take place to correct an equipment failure within the short notice window must be submitted as a forced outage in order to proceed.*

### **Portlands Energy Centre**

The changing of the submission and approval deadline from 23:59 EST to 16:00 EST was a good move. However 16:00 EST is 5:00 p.m. clock time (during day-light saving time) which in many cases is too late in the day for any meaningful changes to be made in response to an outage rejection. So effectively it is only marginally better than leaving the deadlines at 23:59.

Suggest that the approval deadline be changed to 14:00 EST which would allow for some time during that day to respond to a possible rejection.

The Interim Process has removed the requirement for advanced submission of cancellation cost i.e. under the current market rules cancellation costs are required to be submitted at the time of outage confirmation. We agree with this change. However, to my knowledge there has been no discussion on the submission of "recall" or "deferral" costs. We are seeking clarification on whether these costs will continue to need to be submitted at the time of outage confirmation. Our position is that, like cancellation costs, these costs should no longer be required to be submitted at the time of outage confirmation.

*As discussed in the response to OPG comments above, the IESO agrees with changing the advance approval deadline for pre-approvals from 16:00 EST to 14:00 EST and has incorporated this change in the latest draft rule amendment proposal (please refer to [MR-00404-R00](#)).*

*Recall and deferral costs are the same as cancellation costs and will not be required to be provided at the time of the outage submission. The IESO would also like to clarify that outages will no longer require confirmation for requesting advance approval under the Interim and Final Process Redesigns.*

## **2. Please provide feedback on the proposed Pre-Approval criteria that was presented and discussed at the September 4 meeting.**

### **Ontario Power Generation (OPG)**

OPG is concerned that specific criteria are being included to address specific fuel types or operational constraints. It is conceivable that facilities, such as generation part of a hydroelectric cascade, that generally can shift energy from one hour to another can encounter conditions that restrict this flexibility. These criteria, as written, would preclude these facilities from the short notice process. The duration of the de-rating would also have to be limited to a defined forecast.

OPG again stresses the importance of having flexibility when commissioning units. Commissioning activities are dynamic by nature and may not meet defined short notice criteria. Significant delays and costs may result from being constrained to 5 business day submission timeline.

*The IESO will work with generator stakeholders to understand the situation where unexpected energy-shifting restrictions exist in order to ensure the criteria for pre-approvals are equitable among all generator participants.*

*The IESO understands the fluid nature of commissioning activities and will explore different avenues of submission for commissioning activities through the applicable market manual. In general, additional scheduling flexibility can be provided if the flexibility in commissioning activities can be communicated and assessed in the initial submission of the outage request for a commissioning activity.*

### **Portlands Energy Centre**

We would prefer a 30 minute recall time as opposed to the proposed 15 minute recall time. However it appears that the 15 minute recall time is fairly standard.

*The 15 minute recall criteria for generator outages requesting pre-approval is required to ensure that the IESO can meet its reliability obligations following a system disturbance. A 15 minute recall satisfies the pre-approval principle of low IESO assessment effort as it ensures real-time staff would have sufficient time to assess the disturbance, contact the market participant and recall the outage all within the re-preparation requirement of 30 minutes.*

### **Gerdau**

The Pre-Approval process as outlined in the meeting seems to be heading in a good direction, although it is at a high enough level that precise workings are not evident. I understand that trying to create general directives for such a large number of specific and unique situations is impossible.

I recommend that once the new Outage Management Process is approved, the IESO sit down with each participant who wants to use the Pre-Approval process and determine what types of outages will be easily pre-approved and what situations need analysis by the IESO before approving. For instance, at my facility, I expect that equipment I take out of service that is not supplying a load will have no impact on the grid and can be easily pre-approved. Disconnect switches that are connected to the grid will need to be set up with a full analysis and would likely be bundled with Hydro One work on the same circuit.

This type of framework for my facility would make it easy to determine which outages can use the Pre-Approval process and which ones need more time to review. Other market participants may have completely different considerations based on their place in the grid and the characteristics of their equipment. Each participant will know how to properly funnel outages for their facilities to the IESO.

*The IESO believes that participants should be able to review their existing outage reporting requirements to determine which facilities would be considered for pre-approval based on the criteria that will be developed through SE-109 and incorporated into the applicable market manual. However certain facilities that fit the criteria may be excluded if they fail to meet the following principles for eligibility:*

- *Low reliability impact*
- *Minimal IESO assessment effort*
- *No impact to 3<sup>rd</sup> party market participants*

*The IESO intends to communicate these exclusions separately to each market participant.*

- 3. Please provide feedback on how market participants would prefer to be notified of facilities that are excluded from the Pre-Approval process due to a system restriction that may not be readily apparent.**

**Ontario Power Generation (OPG)**

OPG would prefer that the IESO provide both verbal and electronic feedback.

**Portlands Energy Centre**

Phone call and e-mail

*As indicated in the response to Gerdau's comments in 2 above, the IESO intends to communicate exclusions to the pre-approval criteria separately to each market participant. For situations where the IESO identifies in its reliability assessment that an outage for pre-approval will be rejected for any reason, the IESO will do so electronically via the outage slip, including the reason for rejection. Verbal feedback will be considered and discussed at the next SE109 meeting.*

- 4. Please provide feedback on how market participants would prefer to manually confirm an outage for Pre-Approval upon submission of that outage (i.e. phone, electronically via the outage slip etc.).**

**Ontario Power Generation (OPG)**

OPG would prefer to provide confirmation via the outage slip either through the re-use of the existing confirmation flag (preferred) or through text comments.

**Portlands Energy Centre**

Electronically via the outage slip.

*The IESO agrees with using an electronic means to confirm the request for pre-approval. The IESO has determined that renaming the existing confirmation flag to "Request for Pre-Approval," and using it to identify a request for pre-approval is a feasible change to existing IESO and market participant web-based software. Those participants submitting outage requests through their own software via API will be given the opportunity to evaluate and provide feedback on whether they can accommodate the change prior to a decision for implementation. An alternate approach would be electronic confirmation of text comments via the outage slip.*