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# Improving Accessibility of Operating Reserve

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# Agenda

- Recap of last webinar
- Update - The IESO is removing the changes related to how operating reserve dispatch instructions are determined from the scope of this initiative.
- Today's objectives
  - Describe the reason for the change in scope
  - Present the necessary changes to the clawback rules based on the scope change

## Reminder: Goals for this Initiative

- Compensate only for operating reserve (OR) that can be accessed
- Improve reliability by encouraging participants to maintain accessibility of the OR they are scheduled to provide



# May and July 2021, Stakeholder Engagement and Technical Panel Meetings

## Recap: Activities in May (SE Session) and July (TP Meeting)

- The presentation of May 28<sup>th</sup> provided draft Market Rules pertaining to:
  - The automated OR settlement clawback
  - Unwarranted CMSC
  - A change to how OR activation dispatch instructions will be determined
- Stakeholder feedback from this session was received and responded to. There was one comment in relation to the proposed rule language.
- The Technical Panel voted to post the draft rules for Stakeholder comment at the meeting of July 27<sup>th</sup>, 2021



# De-Scoping of the Proposed Changes to How Operating Reserve Activation Dispatch Instructions are Determined



## De-Scoping of the OR Activations Dispatch Changes

- In 2020, Stakeholders suggested that the IESO should consider implementing changes to its dispatch process to determine the amount of incremental energy required during OR activations. This amount would be used to create OR activation dispatch targets
- The IESO subsequently assessed this suggestion and found that changes to the tool that sends OR activation dispatch instructions (“the dispatch tool”) were conceptually feasible
- However, upon further assessment, the changes to the dispatch tool that would be required to meet the stated objectives are not implementable

# Impact of De-Scoping

This reduction in scope means there will be no change to the:

- current practice of how the IESO determines OR activation dispatch targets for applicable market participants
- intent and application of the automated OR settlement clawback discussed with Stakeholders and the Technical Panel in 2021
- However, the proposed Market Rule amendments reviewed by Stakeholders and the Technical Panel in 2021 do need to be updated to reflect the reduction in scope
  - The Market Rule changes proposed in 2021 did consider a change to how OR activation dispatch targets would be determined

# Market Rule Change Resulting from De-Scoping (1 of 3)

- **Chapter 7, Section 7.4.3A** (*entire rule to be omitted*)

~~Where a registered facility is injecting or withdrawing more or less energy in a dispatch interval than specified in its dispatch instruction and where a contingency event has occurred the IESO may issue dispatch instructions instructing a registered facility, other than a boundary entity, providing operating reserve to begin increasing energy production or reducing energy withdrawal for an amount up to the maximum quantity of MW of operating reserve which it is scheduled, notwithstanding the maximum quantity of the operating reserve offer as provided in accordance with Appendix 7.3~~

## Market Rule Change Resulting from De-Scoping (2 of 3)

- **Chapter 7, Section 7.4.2.1** (*reference to 7.4.3A removed*)

A market participant shall be subject to non-accessibility charges if it fails to maintain unused *generation* (or load reduction) *capacity* equal to or greater than its total amount of scheduled *operating reserve* during any *interval* in which it is scheduled to provide *operating reserve* but is not *dispatched* to increase *energy generation* (or load reduction) pursuant to section 7.4.3 ~~or 7.4.3A~~. The *market participant* may also be subject to compliance actions in accordance with section 6 of Chapter 3.

## Market Rule Change Resulting from De-Scoping (3 of 3)

- **Chapter 7, Section 7.4.6** (*reference to 7.4.3A removed*)

A registered facility that ~~is dispatched pursuant to section 7.4.3A or~~ failed to maintain unused *generation* (or load reduction) *capacity* equal to or greater than their total amount of scheduled *operating reserve* is not entitled to any inappropriate congestion management *settlement* credit determined in accordance with section 3.5.2 of Chapter 9. The *IESO* may withhold or recover such congestion management *settlement* credits and shall redistribute any recovered payments in accordance with section 4.8.2 of Chapter 9.

## Next Steps

- The IESO requests Stakeholder feedback on these proposed market rule amendments by April 15<sup>th</sup>.
- Please complete the feedback form posted on the [Improving Accessibility of Operating Reserve webpage](#) and submit to [engagement@ieso.ca](mailto:engagement@ieso.ca)
- The IESO is planning to present these proposed market rule amendments to the Technical Panel at its June meeting.

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# Thank You

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