

# Final Engagement Summary Report

## Date: November 18, 2020

### Variable Generation Forecasting Tool Webinar

Engagement Initiated: May 20, 2020

#### Engagement Description:

A number of different inputs are used by the IESO's Dispatch Scheduling Optimization (DSO) tool to determine market schedules, prices and dispatch instructions; these include resource bids and offers as well as forecast data. The IESO uses centralized forecasting to predict future output and availability of variable generator (VG) resources. This forecast tool is used as an input into scheduling.

In some circumstances, if the observed output of VG resources differs significantly from forecast amounts, the IESO can temporarily disable the forecast and rely on actual VG output to predict output for the next interval. However, in certain instances, such as when a VG has been curtailed for reliability, the resource's full offered capacity is used to reflect availability for market scheduling. In this instance, IESO tools could schedule a resource up to its full capacity which could be much higher than actual availability. This can create an 'artificial supply' which can cause market price distortions. The Market Surveillance Panel has identified this issue and made recommendations to the IESO to address it

A webinar was scheduled on May 20, 2020 to provide information and background on this issue and discuss how the IESO intends to address it by replacing the current market scheduling input with a more accurate one.

#### Engagement Objective:

Ensure stakeholders are informed on the background of this issue and how the IESO intends to address it before any change is implemented.

#### Engagement Approach:

This stakeholder engagement was a public engagement process and was conducted in accordance with the IESO's approved [engagement principles](#). The approach for this engagement initiative included opportunities to provide input through webinars and written feedback. All materials,

including feedback and commentary from stakeholders, was posted on the dedicated IESO engagement webpage for this initiative.

## Conclusion:

The IESO presented information on a proposal to replace a scheduling input used in the variable generation forecasting tool with a more accurate input, and answered questions from stakeholders. The majority of questions from stakeholders related to circumstances and supporting data for when the VG forecast is disabled by the IESO and the potential impacts to the electricity market. In response to stakeholder requests, the IESO followed up with a written update on June 25, 2020, to provide additional data on how often the VG forecast was disabled by the IESO in the past and whether it has any impact on Hourly Ontario Energy Prices (HOEP). The compiling and releasing of this information was completed to provide further clarity in response to stakeholders' questions and requests for more information. No further questions were received from stakeholders after this information was released.

On October 8, 2020, the tool fix was implemented. This now means that when the 5-minute VG forecast tool has been disabled and a mandatory dispatch instruction is issued to a VG resource, the DSO will no longer use the resource's maximum offered quantity as an input into market scheduling; instead, this input will be replaced by the resource's 5-minute forecast.

No action is required from Market Participants and there are no impacts to existing MP systems or tools. If you have any questions about this tool fix, please contact [IESO Customer Relations](#).

This concludes the Variable Generation Forecasting Tool stakeholder engagement. Thank you to all stakeholders for your participation in this engagement. All materials, including the May 20, 2020 webinar presentation and recording, and the IESO's follow-up response to provide additional data will continue to be available on the IESO website under the [Public Information Sessions](#) page.