



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: Brian Bell

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

Market Participant Class:
Generator

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Fax: _____

E-mail Address: brian.bell@opg.com

PART 2 – MARKET RULE AMENDMENT REFERENCE

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

Amendment Submission Proposed Rule Amendment Recommended Rule Amendment

MR Number: **MR-00329 - Ancillary Services – Eliminate Requirement for Minimum Amount of Regulation/Automatic Generation Control**

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: Nov 8, 2006

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.

OPG can appreciate the rationale in the proposed amendment that the rules do not need to prescribe a minimum requirement for AGC as the obligation on the IESO is to meet the NERC related standards (CPS1 and CPS2). OPG is concerned however, with any change which may increase the number and volatility of dispatch instructions imposed by 5 minute electronic dispatch on the dispatchable resources (load and generation), thereby undermining the favorably received accomplishments of the Dispatch Issues Working Group. Given that AGC and real-time dispatch instructions work closely together to maintain the balance between supply and demand, it is highly likely that eliminating the minimum AGC requirement may merely end up transferring the role provided by AGC resources to the 5-minute dispatchable resources by way of increased dispatch instructions. This would be unacceptable to OPG as generating units are already subject to excessive numbers of dispatch instructions.

Given the complexities of this subject OPG feels that this subject should be further stake-holdered with market participants who may be interested in their roles as dispatchable resources or as potential AGC providers.

OPG therefore requests IESO to convene an open meeting to discuss the following:

- 1) the impact of different levels of AGC requirements on both manual and automated dispatch instructions,
- 2) the relationship between different levels of AGC and the IESO's Dispatch Deviation report and in particular, the column labeled "ACE"
(ftp://aftp.ieso.ca/pub/reports/PUB/DispDeviation/PUB_DispDeviation_200610.html)
- 3) how to assess or measure the impact of eliminating the minimum AGC requirement,
- 4) what criteria would be reasonable to adopt when determining how much AGC is adequate taking into account additional impacts such as the number and volatility of dispatch instructions. These criteria should be published in the market manual referenced in Part 4 of the amendment submission (typical requirements for AGC quantity and ramp rate).

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:

OPG believes that a special meeting is required to fully explore and understand the results stemming from this rule change. AGC is a unique and necessary commodity that has been traditionally supplied by one supplier, hence there may be a lack of understanding on how AGC works and how the lack of AGC affects the reliability and operation of the system.

Excessive dispatch instructions and unnecessary ramping of generating units are real but avoidable costs to the market. Discussing the issue in an open forum may provide an opportunity to develop a solution that not only reduces the cost of AGC but also reduce wear and tear costs to generators such that these benefits can be transferred back to the loads.