

ISO Rules

Part 200 Markets

Division 202 Dispatching the Markets

Section 202.5 Supply Surplus



External Consultation Draft August 31, 2018

Applicability

- 1 Section 202.5 applies to:
 - (a) a **pool participant**; and
 - (b) the **ISO**.

Requirements

State of Supply Surplus and Multiple Zero Dollar (\$0) Offers

2(1) If during a current hour the **ISO** forecasts that the **interconnected electric system** will experience a state of supply surplus in the next hour, as evidenced by the in merit electricity supply consisting of only multiple **\$0.00 offers** and the supply of electricity available from these **offers** exceeds the **system load**, then the **ISO** may curtail next hour **\$0.00** import **interchange transactions** to balance system supply and **system load**.

(2) Subject to subsection 2(3), if during a current hour the **ISO** determines that a state of supply surplus is imminent in the current hour or already exists, then the **ISO** must comply with the following procedures as may be required, in the following sequence, to balance system supply and **system load**:

- (a) initiate curtailment of **\$0.00** import **interchange transactions**;
- (b) allow **pool participants** to submit **bids** to increase export **interchange transactions** within ~~two (2)~~ hours of the start of a **settlement interval**;
- (c) allow **pool participants** to submit **offers** to decrease import **interchange transactions** within ~~two (2)~~ hours of the start of a **settlement interval**;
- (d) allow **pool participants** to submit restatements reducing generating **unit and aggregated generating facilities source asset** output, or increasing load sink asset consumption, within ~~two (2)~~ hours of the start of a **settlement interval**;
- (e) issue, ~~on a pro rata basis:~~
 - (i) ~~dispatches to generating units and aggregated generating facilities~~ for partial volumes of **flexible blocks** of the **\$0 offers** in accordance with Section 202.3 of the **ISO rules**, *Issuing Dispatches for Equal Prices*;
- (f) notwithstanding subsection 2(2)(e), if there are generating **units and aggregated generating facilities source assets** with **\$0.00 offers** for **inflexible blocks** stating volumes greater than their declared **minimum stable generation**, then issue **directives** to curtail those generating **units and aggregated generating facilities source assets** to their declared **minimum stable generation**, starting with the generating **units and aggregated generating facilities source assets** having the greatest difference in MW between the then current dispatch level and **minimum stable generation** and continuing in descending order until all those generating **units and aggregated generating facilities source assets** have received **directives**; and
- (g) issue **directives** for any other necessary actions, including shutting down generating **units and aggregated generating facilities source assets**, to ensure system **reliability**.

(3) If the **ISO** determines that a generating **unit or aggregated generating facilities source asset** is running at a generation level higher than its **minimum stable generation** in order to provide **regulating**

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Division 202 Dispatching the Markets

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reserve, then the **ISO** may, as part of the effective execution of the procedures set out in subsection 2(2), issue a **dispatch** to curtail delivery of **regulating reserve** from that generating ~~unit or aggregated generating facility~~**source asset** and issue a **dispatch** for **regulating reserve** to another generating ~~unit or aggregated generating facility~~**source asset** which can provide **regulating reserve** while operating at a lower generation level at or above **minimum stable generation**.

(4) If during a current hour the present, real time operating conditions change such that the **ISO** determines that following the procedural sequence set out in subsections 2(2) and 2(3) would put the **ISO** in contravention of any **reliability standard** requirement by failing to achieve compliance within the operating limits or required response time specified in that **reliability standard**, then the **ISO** may alter the procedural sequence.

(5) If the **ISO** alters the procedural sequence as set out in subsection 2(4), then once the **ISO** is assured that the **interconnected electric system** is operating in a safe and reliable mode, the **ISO** must recommence the procedural sequence set out in subsections 2(2) and 2(3).

Transitioning Out of a State of Supply Surplus

3 When the **ISO** determines that the **interconnected electric system** is transitioning out of a state of supply surplus, the **ISO** must reverse any actions taken under subsection 2(2), in reverse order, to balance system supply and **system load**.

Revision History

EffectiveDate	Description
<u>xxxx-xx-xx</u>	<u>Clarified references to import interchange transactions, added reference to load, added reference to section 202.3, and administrative revisions.</u>
2018-09-01	Revised “source asset” to “generating unit or aggregated generating facility”; clarified subsections 2 and 3; and administrative revisions.
2012-03-28	Initial release