

Gas Resource Management Working Groups

These problem statements reflect the problems identified and discussed by stakeholders during the August through October working groups. Numbers associated with problem statements (PS) reflect initial stakeholder feedback on prioritization. Stakeholders should use these as a reference to consider and build on during the upcoming working group meetings.

Topic: Fuel procurement

PS 1: Market participants must rely on the illiquid evening or intra-day gas cycles because they do not have their day ahead schedules in time to inform procurement during the liquid timely nomination cycle, and do not have confidence in the accuracy of information provided in the 2 day ahead advisory intended to inform procurement.

PS 2: In response to unexpected changes in real-time demand, market participants face uncertainty around cost recovery and/or may not be able to procure additional supply.

Topic: Commodity market inputs used for market operations

Stakeholders expressed concern that costs used in market operations not precisely capture the costs market participants expect to face when procuring incremental gas supply. Stakeholders observed that methods used to represent costs in the market may not account for changing gas system conditions.

PS 3: When stakeholders increase their bid price to reflect rapid changes in gas system conditions, they risk being mitigated down to a default bid that does not accurately represent their costs.

PS 4: The reasonableness threshold used to assess automated reference level change requests are too low to allow resources to reflect their costs because they do not account for increasing gas price volatility.

PS 5: Gas prices used to calculate commitment costs and default energy bids for HE1 through HE7 do not reflect the correct gas price indices for this time period.

PS 8: Gas burn limitations issued by gas companies are not reflected in the market for WIEM balancing areas, leading to inaccurate commitment or infeasible dispatch instructions.

Topic: Processes intended to facilitate resource-specific cost adjustments

Stakeholders have observed increasing gas price volatility and tightening gas system limitations leading to more frequent OFOs, and highlighted challenges with reflecting changing gas market conditions in their costs and operating parameters.

PS 6: The automated reference level change request process can only be submitted for one resource. Stakeholders do not have the actual gas cost information necessary to submit a manual reference level change request by the 8am deadline.

PS 9: When switching fuel hubs, generators are unable to reflect accurate costs in the market in a dynamic or timely manner.

PS 10: When switching fuel types, i.e. using diesel instead of gas, generators are unable to reflect accurate costs and operating parameters in the market in a dynamic or timely manner.