

December 15, 2018

IESO Engagement

Re: Energy Workstream Engagement Plan

On November 22, 2018, the IESO published its Engagement Plan¹ for the Detailed Design (DD) for the Energy Stream within the Market Renewal Project (MRP). OPG appreciates the opportunity to provide comments and remains committed to working with the IESO and other stakeholders through Market Renewal.

1. MRP Initiative at a Glance

In section II of the Plan, where the IESO states, “when initially launched, MRP established two main work streams...” OPG recommends the statement be revised to “The MRP has two main work streams...” as MRP originally included a third “Operability” workstream.

Also, where the paragraph describing the capacity stream reads, “a separate Capacity Engagement Plan to be launched in spring 2019”, OPG recommends a statement be added to indicate there are linkages between the Energy Stream and Capacity stream which will be addressed where appropriate (e.g. Market Power Mitigation design).

2. Approach

2.1 MRP Energy Updates Group

The IESO plans to have a MRP Energy Updates stakeholder group in addition to Design Forums groups. The scope of participation for the MRP Energy Updates group appears to be inconsistent with the general description of the group’s function. Specifically, the Updates group is intended for stakeholders who may not be participating at a detailed level; however, the group is supposed to “address any issues or seams emerging from the design forum discussions”. Intuitively, this task may not be best suited for

¹ <http://www.ieso.ca/-/media/Files/IESO/Document-Library/engage/mrp/mrp-energy-dd-engagement-plan.pdf?la=en>

individuals who are not familiar with the details of the design. Furthermore, in trying to address seams issues, the plan states that Energy Updates will not revisit the decisions that take place in the Detailed Design Forums. Rather, MRP Energy Update stakeholders who have feedback on the actual decisions are directed to the Detailed Design Forums which is outside of the intended scope of the Updates group in the first place.

To address this issue, OPG recommends that an additional “Integration and Architecture” Design Forum be created as part of detailed design to deal with seams issues and the IT solution, as originally envisioned² by the IESO. While the IESO may have intended for this group to deal with integration into the IESO, OPG believes stakeholder participation is important to deal with seams issues at the very least (e.g. Reference pricing in Market Power Mitigation Forum and Dispute process in Settlements Forum). In addition, this forum would address any seams issues with the capacity workstream, contracts and the IT solution. This forum would encourage participation of individuals with detailed knowledge of the design who would be in the best position to address integration issues.

Alternatively, if the IESO insists the Integration and Architecture Forum be exclusive to the IESO, the IESO should regularly host joint meetings between this forum and stakeholders to provide updates and allow stakeholders to provide feedback. The joint meetings should also be added to the engagement plan.

2.2 Design Forums

In the IESO’s table that identifies the Detailed Design Forums, the Market Participation Forum design categories span the two general categories of i) Market Registration; and ii) Forecasting/Modelling. Grouping these together in one design forum may present challenges for participant expertise as there is little to no relationship in subject matter. OPG recommends that Prudential Security, and Authorization and Registration would be better addressed in a separate forum or less desirable, grouped with Settlements.

In addition a design forum that addresses contracts should be created. This group would address common design elements such as the design change from HOEP to LMP. As contracts is a topic of high interest for many market participants, it would be beneficial to have IESO contract personnel update and consult with stakeholders on a regular basis through the detailed design. Alternatively, at a minimum, OPG believes IESO contract personnel should be present at each design forum meeting to:

- i) Provide regular updates; and
- ii) Acknowledging relevant issues that arise in DD discussions that will require the IESO contract group’s attention

² <http://www.ieso.ca/-/media/Files/IESO/Document-Library/engage/dam/dam-eruc-ssm-20180920-detailed-design-phase.pdf?la=en>

3. Engagement Plan Structure

The Plan indicates that approvals of market rules will continue to take place as they do today through the Technical Panel process. Subsequent to the IESO Board's December 6 approval of the 14 recommendations made to them in the report³ written by the IESO Governance and Decision-Making Advisory Group, how does the IESO intend to implement these recommendations into the plan? Also, while the Plan addresses the process for Market Rule changes, it should also address the process for Market Manual changes.

Regards,

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³ <http://www.ieso.ca/-/media/Files/IESO/Document-Library/engage/igdm/igdm-20181206-advisory-group-recommendations-report.pdf?la=en>