

Rodan Energy Solutions Inc. : Comments on IESO Market Renewal Workplan

Rodan appreciates the opportunity to comment on the IESO's Market Renewal consultation and strongly supports the intention to "fix the weaknesses" in the energy market and to design and implement changes on the capacity side to improve access to the market for all market participants and to create a level playing field for the competitive provision of new capacity resources to the IESO.

While Rodan endorses the need for consultation, careful planning, and the preparation of a solid business case for market changes, we remain convinced that movement towards a full and open capacity market must proceed with some urgency. Until this vehicle and the competitive discipline which such a market brings, Ontario will continue to be plagued with multiple procurement instruments, many of which yield higher cost capacity and result in Ontario ratepayers paying higher prices than necessary for electricity resources. In the result, Ontario will perpetuate a trend which is lowering Ontario's competitive standing relative to competing jurisdictions and will continue to see business and industry leave for greener pastures.

Rodan supports the approach to market renewal proposed by the IESO in its pre-circulated materials. As was raised by other parties in the initial consultation meeting, Rodan also favours more of a "big bang" rather than a step-wise approach to market renewal. Work on both the energy market corrections and on the initiation of a capacity market/auction should proceed apace and coincident implementation should be carefully considered at the earliest practical opportunity. Continued experience with demand response auctions in the interim, we expect, will result in greater experience and higher confidence in the value of capacity obtained via the competitive process. This should serve both the IESO and market participants well in the run up to a full capacity market complete with regular auctions for future resources.

Rodan stands ready to assist the IESO in any way with progress towards these goals.