

Transmission Rights Market Review (SE-110)

Minutes of Meeting, May 16, 2013



Date held: May 16, 2013	Time held: 9:00 am	Location held: IESO Boardroom
Attended:	Company Name:	Attendance Status: (A)ttended; (T)eleconference/Webinar
Participating Stakeholders		
Burnham, Steve	RBC Capital Markets	T
Byers, Darren	Ontario Power Authority	A
Cheung, Erica	Ontario Power Generation	A
Chintapalli, Raj	Customized Energy Solutions	T
Dion, Julien	Powerex	T
Doolittle, Robin	RBC Capital Markets	T
Dorey, Steve	Consultant	A
Hastings, Martin	MAU on behalf of MSP	A
Hilbig, Tom	Sygration	T
Kelly, Brandon	MAU on behalf of MSP	A
Kerr, Paul	Shell Energy	T
Maddix, Melanie	Goreway	A
Maljukan, Sasa	Hydro One	A
Mooy, Dan	Nexant Inc.	T
Paul, Rob	Goreway	A
Peterson, David	Ontario Power Generation	T
Plante, Matthieu	HQ Energy Marketing	A
Urukov, Vlad	Ontario Power Generation	A
Vempati, Narasimham	Nexant Inc.	T
Wells, David	Manitoba Hydro	T
Bull, Tabatha	IESO	A
Finkbeiner, Darren	IESO	A
Harrison, Susan	IESO	A
Jay-O'Connell, Caolan	IESO	A
Short, Rebecca	IESO	A

All meeting material will be posted on the IESO web site at:

http://www.ieso.ca/imoweb/consult/consult_se110.asp

Meeting Objectives:

The IESO will present the stakeholder comments and IESO responses on the Stakeholder Engagement Plan and the initial Discussion paper. The IESO will provide a description of the analysis that they intend to undergo as described in the Proposed Analysis paper, and seek stakeholder feedback.

Item 1: Welcome, Review of Meeting Agenda

Susan Harrison of the IESO welcomed the attendees of SE-110. Introductory remarks were made including an overview of the agenda.

Item 2: Presentation

Rebecca Short led the group through the presentation.

http://www.ieso.ca/imoweb/pubs/consult/se110/se110-20130516-Phase_1_Proposed_Analysis_Presentation.pdf

Member Questions, Comments and Discussion, with the IESO's response in italics:

A member questioned why the IESO was not doing a quarterly assessment, as the increase in TRs in done on a quarterly basis.

The IESO responded that they will look at including a quarterly assessment in the analysis where applicable.

A member asked why the IESO was only doing the hedged trade analysis for two months a year, as certain market participants have seasonality with their trading behavior?

The IESO responded that they have chosen August and April as the analysis is fairly intensive and are only able to commit to completely two months per year at this time. August was chosen to represent a month that we would likely be importing most heavily and April to represent a month in which we would be likely be exporting most heavily.

The member requested that the IESO look at one year in total to do a sensitivity analysis to see if those are the correct months to use as the highest import and export respectively.

The IESO responded that they will do as requested and will also look at a high import year and check April and a high export year and test August.

A member asked how substantial the effort would be for Phase 2 of the review and what the approximate timeline would be?

The IESO responded that it is expected that Phase 2 will kick off in the summer and that it will be a multi-month process. It could take a year from kick off to implementation depending on the recommendations.

A member asked if there was any chance that the Phase 1 changes will obviate the need for Phase 2?

The IESO responded that Phase 2 is required regardless of the changes made in Phase 1 as Phase 1 is looking at only the confidence level.

A member asked if the IESO will provide the raw data used in the analysis with confidentiality masks.

The IESO responded that they will have to look into confidentiality issues, and that alternatively they could provide a sample analysis with fabricated data

A member cautioned the IESO that there is a chance that the analysis findings may be inconclusive, and may be dependent on what the IESO sees as material.

A member stated that they would like to see the theoretical basis behind the MSP recommendation which states that congestion rents should be equal to TR payments.

The IESO responded that they are not committed to doing what was recommended in the MSP report. The intent is to look at whether the expected benefits have been achieved and if not to consider the MSPs recommendation along with other options.

A member stated that the policy that was in place in 2004 may not be the policy any longer, for example if the IESO was looking to increase imports at that time, that is likely not the case any longer.

The IESO agreed, but stated that we are not only looking at an increase in imports, but at the benefit of overall increased trade and participation in both the energy and the TR market.

Another reiterated a caution that the results of the analysis take into consideration that the intended benefits were based on the priorities set at the time they were established.

A member asked if the IESO would consider export stabilization only.

The IESO responded that we do not have a design at this point and will consider all recommendations.

Item 3: Next Steps

Rebecca Short of the IESO thanked all members for their participation, and reminded stakeholders to submit any comments on the proposed analysis by May 23.

Susan Harrison then concluded the meeting noting that the Stakeholder Engagement Plan is posted in its final form and further communications would be sent to the participating stakeholders.