

Market Renewal Working Group

DRAFT Terms of Reference

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Market Renewal Working Group

Terms of Reference

1. INTRODUCTION

The IESO's Market Renewal Project proposes an ambitious set of initiatives which will amount to a fundamental redesign Ontario's electricity markets to prepare the sector for future change. The IESO established the Market Renewal Working Group to assist the IESO and stakeholders by providing valuable insight, technical expertise and advice to support the development and implementation of the market renewal initiatives.¹

The Market Renewal Working Group was established in 2016 and originally tasked with providing advice and expertise into a Benefits Case analysis which reviewed and considered some of the benefits and implementation costs associated with a suite of enhancements to Ontario's electricity market design. With the completion of the Benefits Case, the role of the Market Renewal Working Group will be enhanced to help guide and contribute to the overall success of market renewal during the design phase of the initiatives.

These terms of reference are intended to outline the roles and responsibilities of the Market Renewal Working Group, its relationship to other stakeholder forums and a description of how it will contribute to the overall success of market renewal.

2. ROLE OF THE MARKET RENEWAL WORKING GROUP

2.1. Role

The Market Renewal Working Group is a representative stakeholder forum to guide, advise and inform the IESO on important issues that will impact the overall success of the market renewal initiative.

2.2. Relationship to other IESO Engagement Mechanisms and Processes

2.2.1. The IESO will utilize the Market Renewal Working Group in conjunction with all the engagement principles, mechanisms and processes established by the IESO without significant duplication or overlap including:

2.2.1.1. Broad Policy level advice - The IESO Board looks to the Stakeholder Advisory Committee (SAC) to provide broad policy level advice on ideas and initiatives for change brought forward by the IESO or other parties. Market Renewal will be a regular discussion item at SAC meetings.

¹ See <http://www.ieso.ca/sector-participants/engagement-initiatives/engagements/market-renewal> for further information on the Market Renewal initiative

2.2.1.2. Stakeholder engagements - IESO will utilize regular and open engagements to work with stakeholders on market design and seek input and advice from stakeholders on technical and related issues

2.2.1.3. Executive Roundtable -TBC

2.2.1.4. The IESO recognizes the importance for regular communication between the Market Renewal Working Group and the Technical Panel to ensure an effective rule-making and approval process.

3. RESPONSIBILITIES OF THE MARKET RENEWAL WORKING GROUP

3.1. Responsibilities

The responsibilities of the Market Renewal Working Group members are:

- 3.1.1. To work together with the IESO on ensuring that the identified initiatives under market renewal are developed, designed and ultimately implemented in an effective and timely manner;
- 3.1.2. To provide advice and guidance to the IESO on market renewal issues that may arise through market renewal engagement initiatives;
- 3.1.3. To help address strategic and seams issues associated with market design changes and implementation proposals;
- 3.1.4. To help ensure effective coordination and integration of market renewal engagements and Workstreams; and
- 3.1.5. To assist the IESO to communicate developments and issues to stakeholders and other interested parties to help support transparency.

3.2. Substantial Agreement

3.2.1. The Market Renewal Working Group will operate in a collaborative and constructive manner and will work to achieve 'substantial agreement' on issues based on the principles and goals of market renewal on how best to move forward

3.3. Independent Facilitator

3.3.1. The IESO, in consultation with the Market Renewal Working Group, may use the services of a third party facilitator to help guide discussion and, if needed, to make an independent determination if or when substantial agreement has been achieved.

3.4. Guidance to IESO

3.4.1. The IESO will look for the Market Renewal Working Group to help guide the development and design work of the various market renewal initiatives. The Working Group will provide advice on:

- How best to engage with stakeholders, market participants and other interested parties
- The scope and detail of design discussions
- Ways to ensure timely and effective development, design and implementation of the market renewal initiatives.

3.5. Strategic and Seams Issues

The Market Renewal Working Group will follow closely the development and evolution of market design discussions within the various engagements to identify any potential integration, strategic or 'seams' issues that may result from one or market design elements.

3.6. Coordination

The Market Renewal Working Group will take an active role in communicating with other stakeholders and help ensure continued coordination and overall integration of the market renewal initiative.

3.7. Other Issues

The Market Renewal Working Group may review and discuss other issues either of a technical or policy nature which may directly or indirectly impact market renewal but which are not part of any particular engagement workstream.

3.8. Issue Resolution

From time to time, it is envisaged that the Market Renewal Working Group will be asked to provide guidance to the IESO to help in the resolution of issues that may arise on market renewal initiatives. The Market Renewal Working Group will work with the IESO to assess options and identify potential solutions. The different perspectives and resulting decisions of the Market Renewal Working Group will be recorded, as required, to ensure that decisions are made in a transparent manner

4. COMPOSITION OF THE MARKET RENEWAL WORKING GROUP

4.1. Working Group Members

The Market Renewal Working Group will be co-chaired by a representative of the IESO and a representative selected by the WG member. The Working Group will have a minimum of 10 and a maximum of 20 members which provide a fair and balanced representation of different stakeholder communities with a direct interest in or that will be impacted by the market renewal project.

4.1.1. Members will represent market participants in the following categories

- 4.1.1.1. Generators
- 4.1.1.2. Consumers
- 4.1.1.3. Energy Traders
- 4.1.1.4. New Market Entrants
- 4.1.1.5. Emerging Technologies
- 4.1.1.6. Demand Response

4.1.2. The preference for membership is from market participants or those striving to take and active role in the market.

4.1.3. The exact composition of membership and the size of the group may be adjusted over time as the market renewal initiative evolves.

4.1.4. The representation within each constituency is subject to change by the IESO in order to accommodate the changing requirements or particular skill-sets/expertise needed for market renewal.

4.2. Nomination and Appointment of Members

4.2.1. Membership decisions for the Market Renewal Working Group will be made by the IESO through a nomination process.

4.2.2. The IESO can seek additional nominees to adjust the representation for a particular constituency.

4.2.3. Membership will be for a term of two years with an option to renew for an additional two years.

4.2.4. The membership of an individual participant may be extended in order to ensure continuity and adequate representation of a particular constituency, recognizing that the individual's participation on the Working Group is required to continue to provide a well-balanced representation.

4.2.5. Preference for membership will be given to licensed market participants or new potential participants in the IESO administered markets.

4.3. Qualifications of Members

4.3.1. Nominees should be senior members of their respective organization with demonstrated experience and expertise in the IESO administered markets and preferably also have experience with markets in other jurisdictions. While they may be representatives of a particular company, they are also committed to bring forward views on behalf of their constituency as it pertains to the market renewal project.

4.3.2. In addition to representative the views of their respective organization and constituency, members are also expected to provide input that adheres to and is consistent with the principles and objectives of the market renewal initiative.

4.3.3. The status of a Working Group member may be impacted by a change in their employment or affiliation such that they are no longer in a role that supports their participation in the Working Group.

4.3.4. Organizations may not have more than one representative as a member of the Working Group at any one time.

4.4. Co-Chair

4.4.1. The Market Renewal Working Group will be tasked with the nomination of an independent Co-Chair from the stakeholder community.

4.4.1.1. The nominee for co-chair may be a Working Group member or may be an individual from outside of the Working Group. If a Working Group member is nominated, they

will be expected to represent the Working Group *as a whole* rather than their particular constituency alone.

4.4.1.2. If more than one nominee is brought forward, the co-chair position will be determined by voting from each Working Group member.

4.4.2. Roles and Responsibilities of Co-Chair

4.4.2.1. Along with the IESO, the co-chair will play a leadership role and help to provide effective governance, administration and facilitation of all Working Group meetings.

4.4.2.2. The co-chair will assist the IESO in the planning and development of Working Group meetings and agenda items.

4.4.2.3. The co-chair will help guide, support and advance collaborative discussion within the Working Group.

4.4.2.4. The IESO will have regular discussions with the co-chair on how best to meet certain market renewal deliverables and milestones.

4.4.2.5. The co-chair will serve as an important liaison between the Working Group and related stakeholder forums. In doing so, the co-chair will provide an independent stakeholder perspective and update on market renewal to other stakeholder forums where and when required.

5. ORGANIZATION AND ADMINISTRATION OF MEETINGS OF THE MARKET RENEWAL WORKING GROUP

5.1. Number of Meetings

5.1.1. While a specific number of meetings is not determined, the Working Group can expect to meet on at least a monthly basis with regular communication and work activities between meetings.

5.1.2. The IESO will endeavour ensure meeting agendas and related materials are available at least one week in advance of each meeting planned and posted on the IESO website.

5.2. Meeting Authority and Normal Order of Business

5.2.1. The chair and co-chair or their delegate shall preside over meetings of the Working Group.

5.2.2. Working Group meetings will generally be limited to Working Group Members and IESO staff are participating directly in the meeting. The IESO, in consultation with the Working Group, may allow substitutes in exceptional circumstances and/or extend participation beyond the membership to a particular stakeholder, community or expert if a need is identified.

5.3. Sub-Groups

5.3.1. The Working Group may develop a 'sub-group' where a sub-set of Working Group members investigates and considers in detail a particular issue or subject area. The sub-group will then report back to the whole Working Group and/or stakeholder engagements on its findings.

6. FINALIZATION OF MEETING MINUTES

6.1. Distribution of Minutes

6.1.1. The IESO will endeavour to distribute the draft meeting minutes, including any accompanying written submissions to all Working Group members for review in advance of the next scheduled meeting.

6.1.2. At the next meeting, the co-chair will invite Working Group members to provide any comments on the draft minutes prior to their finalization.

6.1.3. The IESO will then publish the final meeting minutes and related written materials and post on the IESO website.

7. REMUNERATION OF MEMBERS OF THE WORKING GROUP

7.1. Remuneration and Exceptions

7.1.1. Generally there is no remuneration for Working Group members. However, the IESO, together with the co-chair may make exceptions if it is determined that some form of remuneration to one or more Working Group members is required to ensure representation from a particular stakeholder community that would otherwise be unable to effectively participate in the Working Group.

8. REVIEW, Update and Evaluate

8.1. Updates Procedure

8.1.1. These Terms of Reference are not exhaustive and the Working Group may encounter circumstances not contemplated in this document. In these instances, the co-chairs will consult with the Working Group on how best to address such circumstances.

8.2. Review

8.2.1. Each year, the IESO will invite the Working Group to submit their views on the effectiveness of the group and its mandate.