

# Market Renewal Working Group

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April 3, 2017

# Agenda

## 1. Roundtable

- Opportunity for WG members to raise issues and concerns

## 2. MRWG Membership

- Introduction of new members and discussion of selection process

## 3. MRWG Co-chair

- Opportunity for group members to select permanent co-chair(s)

## 4. Objectives and Principles

- Overview of revised Objective and Principles

## 5. Program Workplan and Stakeholder Schedule

- Presentation and discussion of program milestones, upcoming meetings, and MRWG role moving forward

# Call for New MRWG Members

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## Submissions

- Lots of interest in participating for few new positions
- Broad variety of applicants from many different sectors

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## Selection Considerations

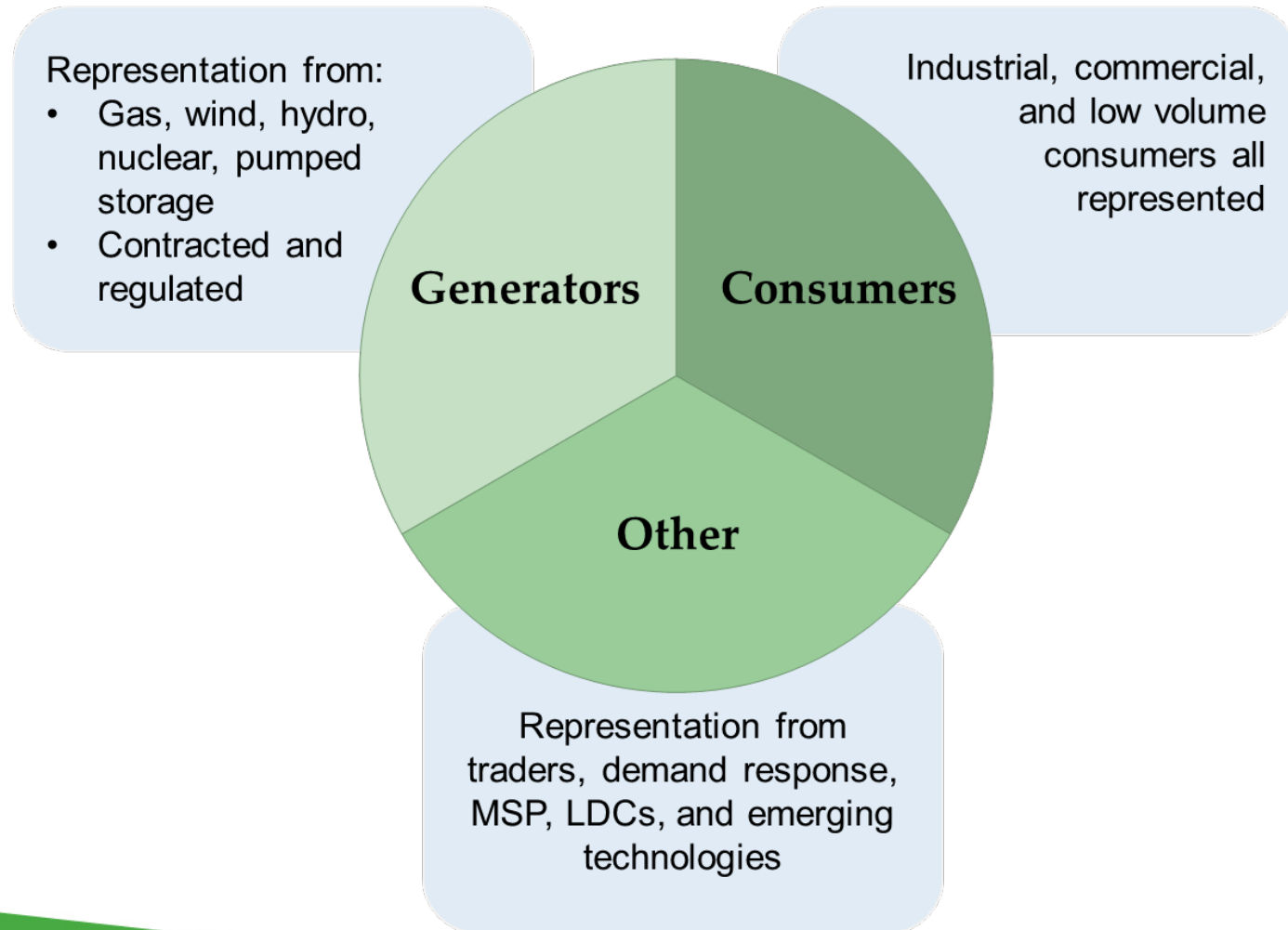
- Unique or missing stakeholder perspective (focus on consumers and emerging technologies)
- Relevant experience and knowledge
- Membership in other groups (SAC, TP, CEO's Roundtable)

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## MRWG Members

- Morning of April 3 - orientation session with new members
- Co-Chairs participating in orientation session
- Look forward to building on the good work and collaboration to date

# The Goal: Balanced Representation



# New Members

- Welcome to our New Members:
  - Paul Clipsham, Canadian Manufacturers & Exporters (CME)
  - Matt Sachs, Peak Power Energy
  - Hari Subramaniam, Opus One Solutions
  - Robert Warren, Weir Foulds
  - Adam White, Power Consumer
  - One additional member -TBC
- In addition:
  - AMPCO will provide one of its 4 spots to Colin Anderson (AMPCO)
  - David Butters (APPrO) will be an alternate for generator representatives
  - Pat Philips (ESC) will be an alternate for NRStor

# MRWG Membership April 2017

Generators	Consumers	Other
<b>Julien Wu</b> Brookfield Renewable Power	<b>François Abdelnour</b> Ivaco Rolling Mills	<b>Sarah Griffiths</b> EnerNOC
<b>Rob Coulbeck</b> Goreway Power Station	<b>Paul Dottori</b> Tembec	<b>Frédéric Bélanger</b> HQ Energy Marketing
<b>Alexander Ma</b> Invenergy	<b>Dave Forsyth</b> (Gerdau) or <b>Cara Degelman</b> (Resolute)	<b>Donald Dewees</b> Market Surveillance Panel
<b>David Applebaum or Jenn Tuck</b> NextEra	<b>Colin Anderson</b> AMPCO	<b>Neetika Sathe</b> Alectra
<b>Sushil Samant</b> Northland Power	<b>Robert B. Warren</b> Weir Foulds <i>(low volume consumers)</i>	<b>Jason Rioux</b> (NRStor) <b>Pat Philips</b> <i>alternate</i> (Energy Storage Canada)
<b>Lynn Wizniak</b> Ontario Power Generation	<b>Adam White</b> Power Consumer <i>(consumers/emerging technologies)</i>	<b>Hari Subramaniam</b> Opus One Solutions <i>(emerging technologies)</i>
<b>Margaret Kuntz</b> TransCanada Energy	<b>Paul Clipsham</b> CME <i>(medium to high volume consumers)</i>	<b>Matt Sachs</b> Peak Power Energy <i>(emerging technologies)</i>
Generator Alternate: <b>David Butters</b> APPrO		<b>Additional Member TBC</b>

Co-Chairs

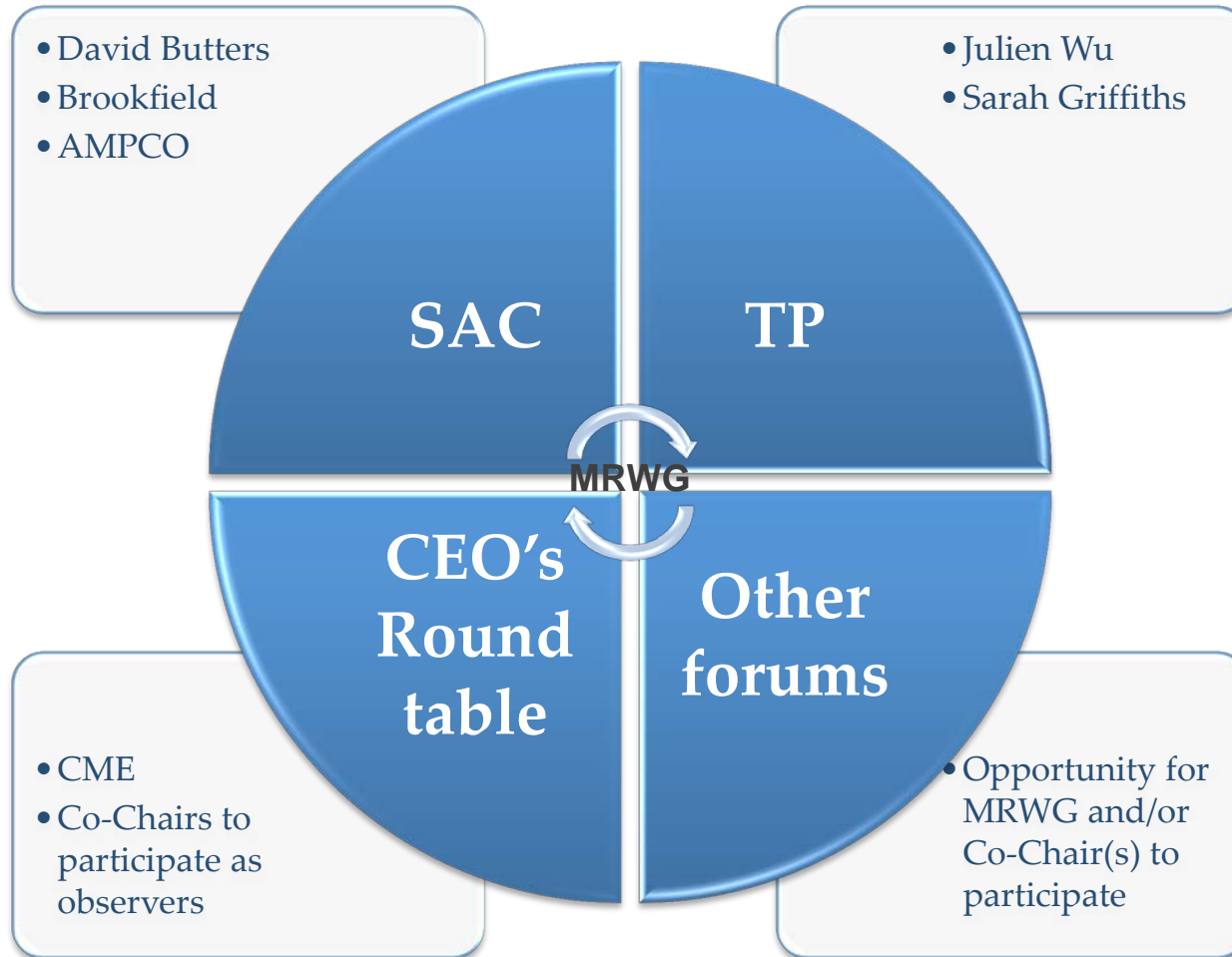
New Members

# New Framework



# MRWG: Creating Alignment

*Ensuring open and clear communication between the different groups and forums is key – a certain amount of duplicative membership will help foster alignment and collaboration*





# MRWG: Items for Consideration

- Help IESO and Stakeholders transition to design discussion on the identified initiatives:
  - Single Schedule Market (SSM)
  - Day-Ahead Market (DAM)
  - Enhanced Real-time Unit Commitment (ERUC)
  - Incremental Capacity Auction (ICA)
  - More Frequent Intertie Scheduling (MFIS)
- Strategic issues
  - Governance
  - Contracts vis-à-vis Market Renewal
  - LTEP and other planning work
  - Regulatory Issues:
    - IESO's Fees Case
    - Other items: licensing of new market participants, rate setting and cost recovery etc.

# Establishing Co-Chair(s)

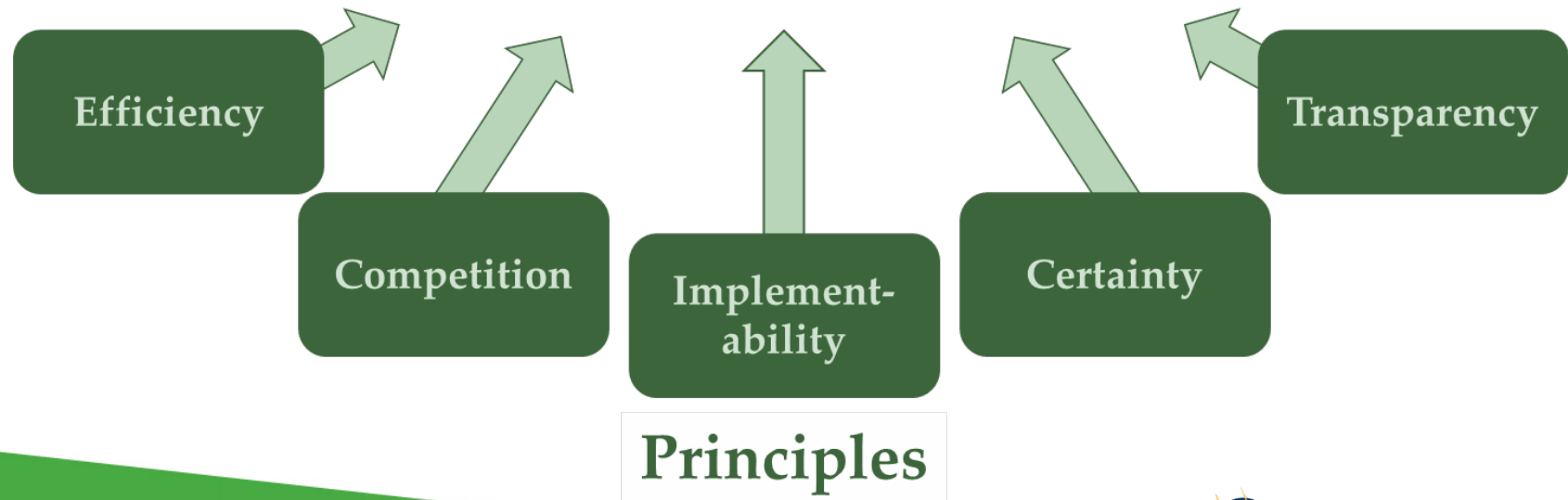
- With new members in place, IESO is asking the MRWG to select (a) permanent Co-Chair(s)
- Expectations for Co-Chair
  - Foster collaborative environment amongst stakeholders to advance discussions
  - Represent MRWG at other stakeholder engagements
  - Help to meet certain deliverables and milestones
- Co-Chair should represent all stakeholders rather than a particular community
- IESO has allocated 30 minutes for an in-camera discussion without any IESO staff present to determine Co-Chair(s)

# Objective and Principles

The IESO has worked closely with stakeholders to develop an agreed upon objective and set of principles for Market Renewal

## Objective

Market Renewal will deliver a more efficient, stable marketplace with competitive and transparent mechanisms that meets system and participant needs at lowest cost



# Principles for Review

**Efficiency**: lower out of market payments and focus on delivering efficient outcomes to reduce system costs

**Competition**: provide open, fair, non-discriminatory competitive opportunities for participants to help meet evolving system needs

**Certainty**: establish stable, enduring market-based mechanisms that send clear, efficient price signals

**Transparency**: accurate, timely and relevant information is available to market participants to enable their effective participation in the market

**Implementability**: work together with our stakeholders to evolve the market in a feasible and practical manner

# Linking Objective to Program Planning

- In feedback to the February 24 SE, IESO has heard not all stakeholders are entirely satisfied with the proposed objective
- The IESO would like to work with the MRWG to provide additional opportunities for stakeholders to identify and explore expectations
- We are proposing:
  - Agenda item at future MRWG meeting where group members would identify what the proposed objective means to them
  - Provides an opportunity to understand and address instances where gaps exist between stakeholder expectations
  - Provides an opportunity to publically document stakeholder expectations
  - Can explore how stakeholder expectations could be tied to success metrics for the project to ensure the IESO and stakeholders are aligned in their efforts

*Does the group think this approach would be helpful? What should we consider to make best use of this session?*

# Program Management

- Market Renewal includes a very substantial set of projects; effective project management is needed and is a key focus for the IESO
- Our organizational structure reflects this focus:
  - JoAnne Butler is the Program Sponsor
  - Program structure reflects two key areas: Design and Program Management
    - Barbara Ellard is leading design and stakeholdering
    - Shawn Cronkwright is leading program management and implementation
- Program Team is being staffed up: key SMEs and leads are being put in place
  - Stakeholder Lead: *Tom Chapman*
  - Energy Design Lead: *Darren Matsugu*
  - Capacity Design Lead: *Steve Nusbaum*
- Robust program management framework is being developed
  - We will work with MRWG to ensure stakeholder considerations and impacts are being considered
  - In the near-term, we have developed an initial set of program milestones for MRWG consideration and feedback

# Developing a High-Level Design

- The High-level Design phase will focus on *what* we are designing:
  - Identify design decisions that form the foundation for market rules and manuals
  - Identify high-level impacts on new and existing IESO business processes and IT systems
- IESO will work with stakeholders on the design in 3 phases
- Design decisions will be brought to MRWG
- Seams issues and conflicts will be brought to MRWG to try and resolve disagreements

## Phase 1

### Introduction and Fundamentals

- Establish goals and expectations
- Introduce and explore design elements (building on education sessions)

## Phase 2

### Options and Recommendations

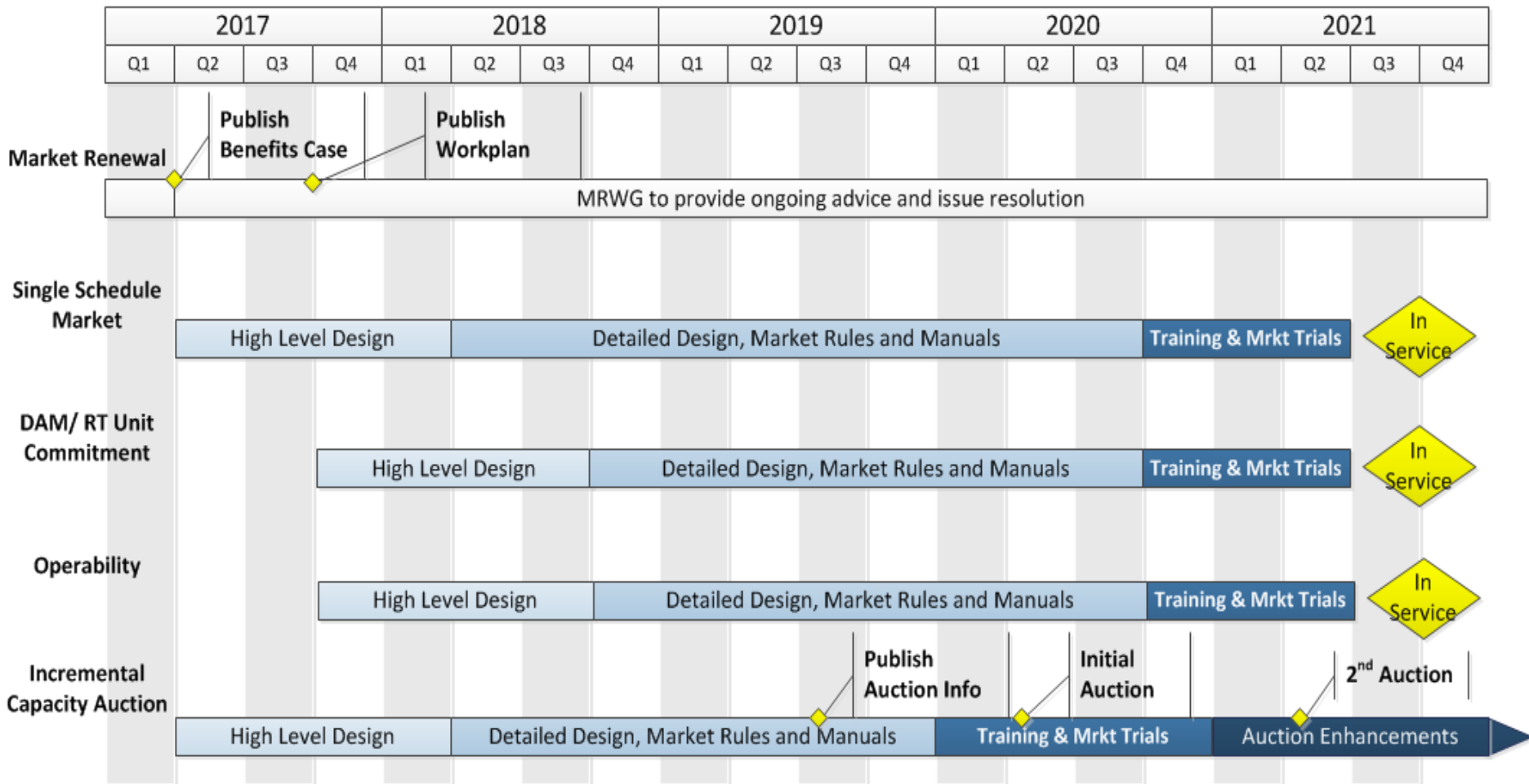
- Identify options for design elements
- Weigh pros and cons and establish recommended approach

## Phase 3

### Design Decisions

- Design decisions brought to MRWG
- MRWG will work towards substantial agreement

# Program Milestones

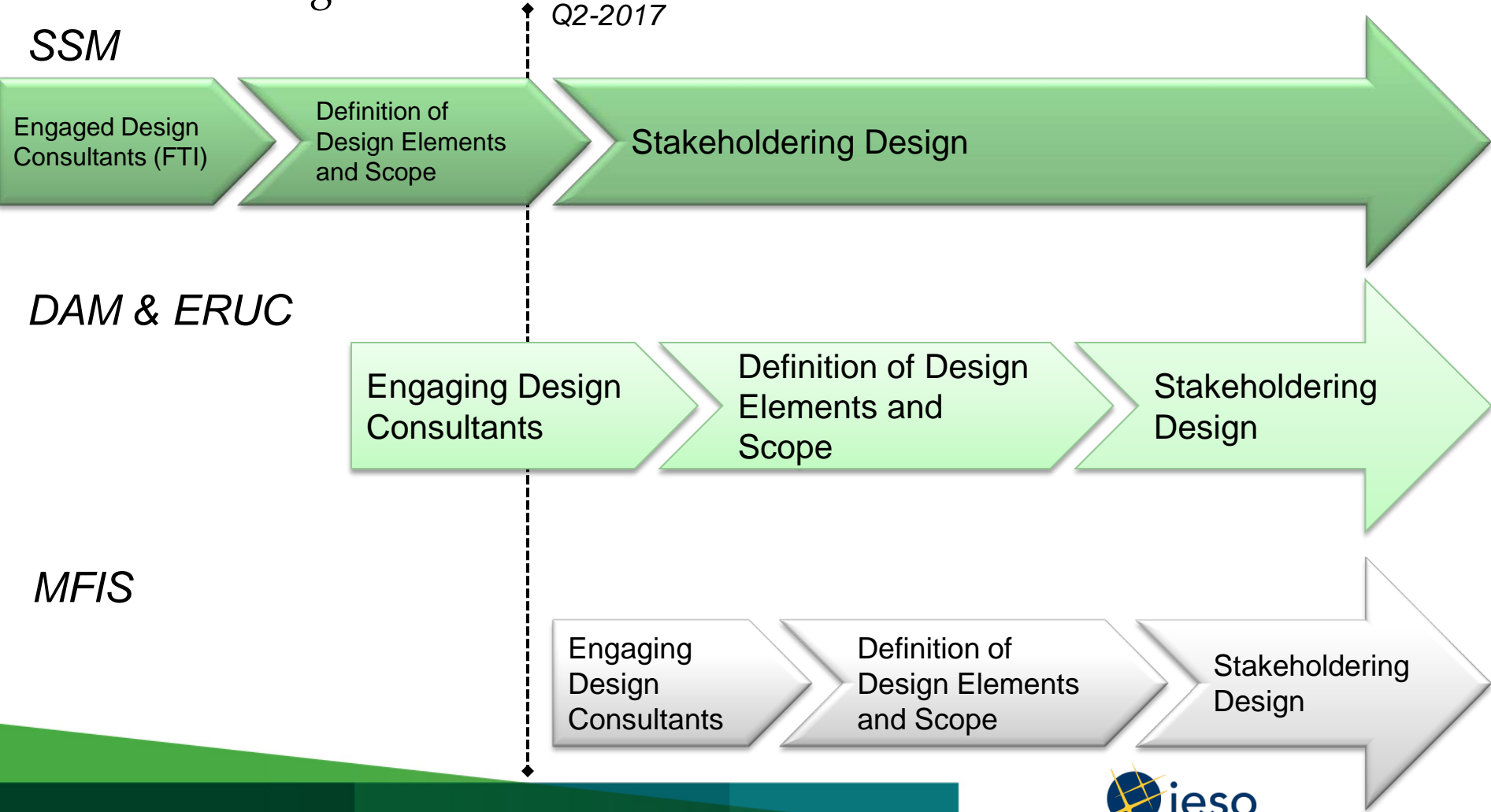


*Note: milestones subject to change prior to publication of Program Workplan*



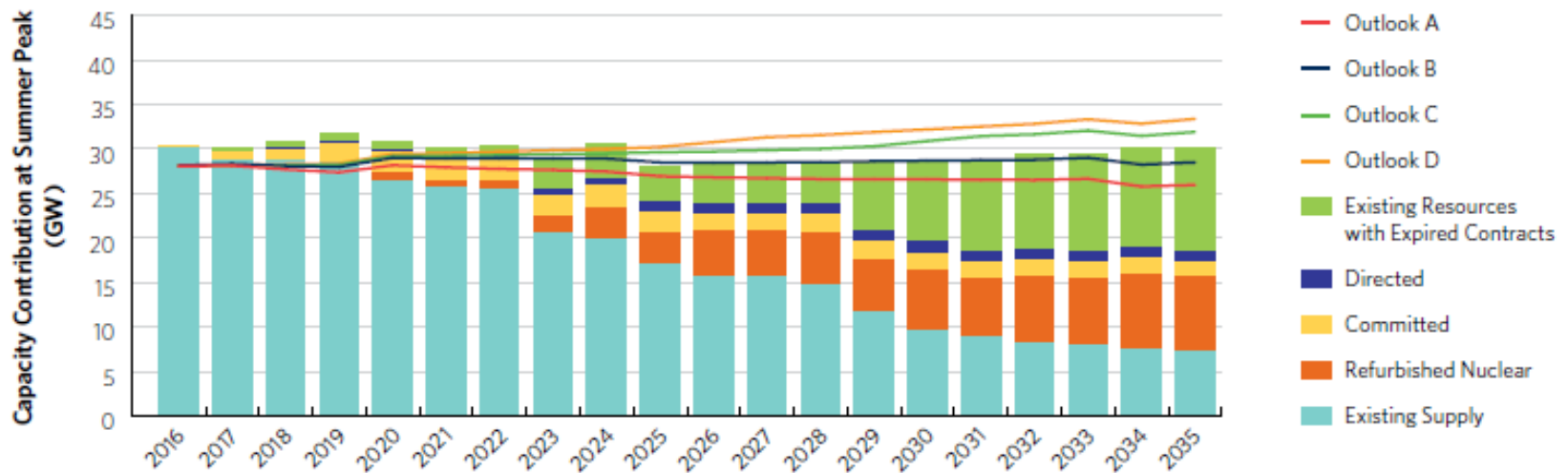
# Focus on Energy Workstream

- Work expeditiously to address known inefficiencies and prepare for future changes



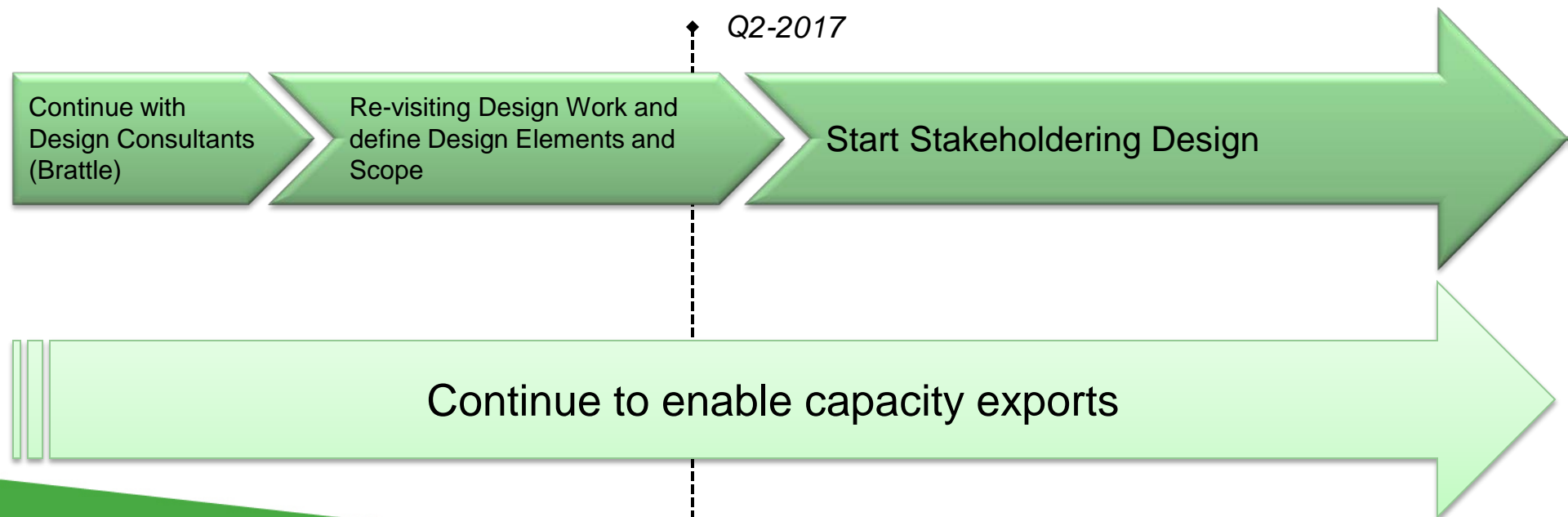
# Capacity Context

- Major supply decisions have largely been made and we are entering a period of consolidation although considerable uncertainties exist, especially with regards to demand projections
  - In the near term, one of the biggest driver of need is the uncertainty around nuclear life extensions (i.e. Pickering) more so than demand forecasts
- Focus on re-committing existing assets while allowing for innovation and emerging technology
  - Build on lessons learned: ensure we have more flexibility and better risk sharing to ensure ratepayer value



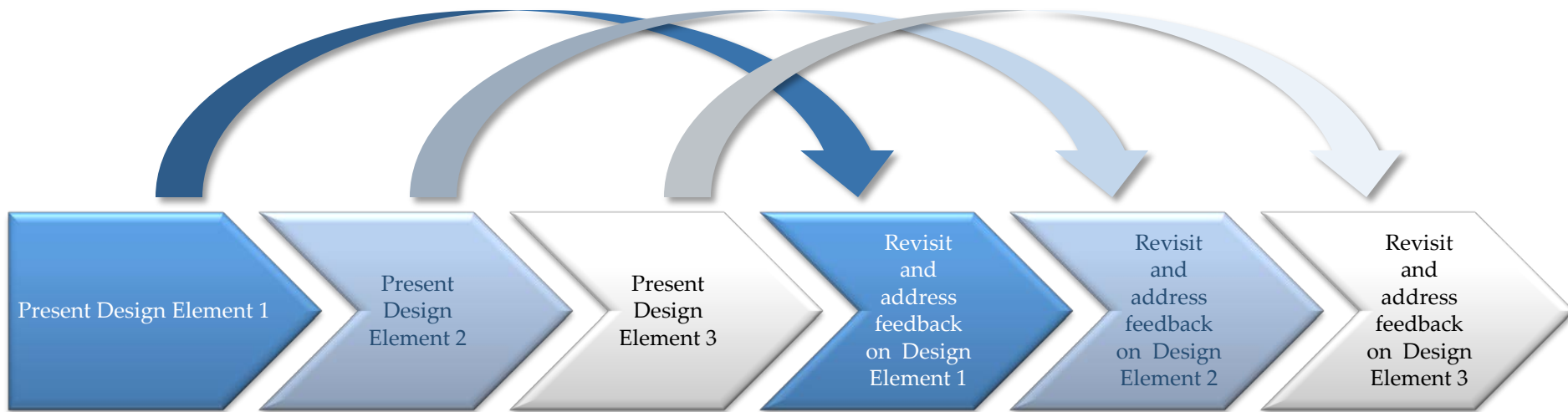
# Focus on Capacity Workstream

- First capacity need could emerge in 2021
  - First Auction to be conducted in 2020 with a one or more year forward period
  - Allow for an opportunity to be flexible in timing to react to changes in need
  - Continue to enhance auction in first years, similar to DR Auction
  - Enable capacity exports and bring DR into ICA



# Expediting Design Work

## Proposed Process:



Discussion: *How do we best manage the feedback cycle and ensure we move the initiatives forward?*

# Stakeholder Schedule

- IESO will publish specific Market Renewal meeting dates and agendas on a rolling 2 month basis
  - Stakeholders will always have at least a two-month view of upcoming meetings
  - Placeholders for the remainder of the year
- IESO proposes meeting with MRWG on a monthly basis (typically 3<sup>rd</sup> Wednesday of the month) with additional meeting/call as required
- IESO proposes meeting with Single Schedule Market (SSM) SE and Incremental Capacity Auction (ICA) SE on a monthly basis (typically 1<sup>st</sup> and 3<sup>rd</sup> Thursday of the month)
  - Will update frequency as required moving forward
- Operability and DAM/RT Unit Commitment SEs will begin in Q3/4
- While there will be substantial amount of meetings **we do not expect that all stakeholders will need to attend all meetings**
- We will need to take holidays and vacations into account, especially over the summer

# Near-Term Schedule

- For Q2, 2017 IESO is proposing the schedule below
- SE meetings will be full day; MRWG meetings will be full or half days

Date	Forum	Topic
Wednesday, April 12	SE	Benefits Case, schedule and milestones
Wednesday, April 26	MRWG	TBC
Thursday, May 4	SSM	Introduction to SE
Wednesday, May 17	MRWG	TBC
Thursday, May 18	ICA	Introduction to SE
Thursday, June 1	SSM	Fundamentals mtg. 1
Wednesday, June 14	MRWG	TBC
Thursday, June 15	ICA	Fundamentals mtg. 1
Thursday, July 6	SSM	Fundamentals mtg. 2
Wednesday, June 19	MRWG	TBC
Thursday, July 20	ICA	Fundamentals mtg. 2

# Wrap-up and Next Steps

- Next meeting will be April 26
- IESO to work with co-chair(s) to establish agenda
- Final comments from the group?