

Market Renewal Working Group

August 15, 2017

Agenda

12:00 pm – Lunch

12:30 pm – Introduction, Review of Agenda, Roundtable (*comments regarding yesterday's session?*)

12:45 pm – Revised ToR and Decision Making

1:00 pm – Work Plan: Governance

2:00 pm – Work Plan: DER/LDC integration

2:15 pm – Upcoming design decisions

2:30 pm – Break

2:45 pm – MRWG Report

4:00 pm – Wrap-up

Decision Making

Revised ToR and Decision Making

- For discussion: MRWG members have drafted proposed changes to the sections of the ToR referring to substantial consensus and decision making (3.2 and 3.3)

3.2. Substantial ~~Agreement~~Consensus

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

3.2.2. Different perspectives, including dissenting opinions, will be recorded with reasons and will be included with any reporting of discussions where substantial ~~agreement~~consensus has been achieved.

~~1.1. Independent Facilitator~~

3.3. Decision Making

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~~ assist in achieving substantial ~~agreement~~consensus has been achieved.

3.3.2. Should consensus be considered unachievable, the leading alternatives discussed for each design element will be voted on by the Working Group members and the results, along with rationale supporting each alternative and corresponding dissenting views, will be documented for the IESO's review and will be published on the IESO website.

~~3.2.3.~~3.3.3. The IESO shall have the final authority to approve or reject (with reasons) an outcome under 3.3.2.

Questions Related to Decision Making

- How will substantial consensus be determined?
 - i.e., Should a clause 3.2.3 be added clarifying that the co-chairs are responsible for determining substantial consensus and that all co-chairs must agree that consensus has been reached?
- In what format will decisions be recorded and where should they be posted on the IESO website?
 - Is the same approach appropriate both when consensus has and has not been met?
- Should there be any requirements around the number of MRWG members present for a vote (recognizing that the vote is non-binding)? Or requirements for the number of MRWG members from each stakeholder group?
 - For example, at least 4 of 7 members from each of the generator, consumer, and other representatives must be available to cast a vote.
- Other considerations related to decision making?

Work Plan: Governance

Work Plan: DER/LDC Integration

DER/LDC Integration

How do we:

DER/LDC Integration

- Remove unnecessary barriers to future DER/LDC evolution and participation?
- Cost effectively accommodate DERs going forward?

- The IESO proposes that Navigant/the IESO prepare a memo on where unnecessary barriers may exist and when and how those barriers could be addressed
 - We would seek MRWG feedback on potential barriers as a starting point for the memo; **how best can we gather feedback from impacted MRWG members and their stakeholder groups?**
- Based on the memo, the MRWG can develop an inventory of where opportunities to address barriers exist across Market Renewal
- The inventory can be used to track progress on this issue across the SEs
- The memo could also be used to answer similar problem statements for DR and Storage/Emerging Technologies; how do we:
 - Identify and remove barriers to DR participation in A/S markets?
 - Ensure that emerging technologies can capture the value of the services they can provide?

Does this approach make sense? What else could/should be considered?

DER/LDC Integration cont.

- Does the longer term problem statement (*how do we cost effectively accommodate DERs moving forward*) belong within Market Renewal?
- Would this issue be better considered through another, broader forum?
- If it does belong within Market Renewal, what steps does the group believe we could take in the near- or mid-term to begin to address the question?

Upcoming Design Decisions

Stakeholder Engagement Focus Areas

- Through 2017, a limited set design discussions are expected to draw concentrated stakeholder attention
- Some of these discussions may be elevated to the MRWG in the coming months
- What steps can the IESO take to help prepare the MRWG for these discussions?
- What steps can the MRWG take to make discussions easier at the SEs?
 - e.g., make progress on governance issues
- Are there other design decisions that we should be considering here?



MRWG Report

MRWG Report

- In July the MRWG discussed a proposed outline for the MRWG report
- MRWG members were asked to submit key messages they would like to see included in the report (for discussion at today's meeting)
- In today's session we will discuss the feedback we received and brainstorm more detailed messages
- Our goal for the session is to have an agreed upon set of messages so we can begin drafting the report

MRWG Report Outline

Executive Summary

About the MRWG

- Who is the MRWG and what is its function?

Introduction

- What is MR and why does the WG support it?
- What is the problem we are solving and why is MR the right solution?
- Mission and principles

Scope

- What initiatives are included today and what potential future changes will be considered alongside MR?
- Introduce Market Development Roadmap

Stakeholder Engagement

- What is the stakeholder engagement framework and how are we ensuring effective collaboration?

Progress Made

- What has been achieved to date and what will the program deliver in the near-term (quick wins)?

Issues

- What challenges remain and how are they being addressed?

Next Steps

- What are key MR milestones and when will they be achieved?

Objectives for Report

As a reminder, in previous discussions the group has agreed the report should:

- Be written in plain language
- Be a product of the MRWG (all members should sign-off)
- Be published before the end of 2017
- Draw on existing language and messages where possible
- Be concise

MRWG Feedback I

Comment

The report should highlight the role and development of the MRWG including how it was developed and how it fits in the stakeholder process

Potential Messages

- MRWG is focused on strategic and seams issues and has an important role in decision making
 - Identify types of issues and how they are being addressed
 - Describe decision making process (can the group comment on if/why this is an improvement on previous practice?)
- Group has an important role in helping to shape the stakeholder process
 - Provide examples (developing sub-committees, guidance on timelines and approaches, supported development of CEO-RT, other?)
- Group formed through open calls for membership seeking balanced representation and sector expertise
 - Describe process moving forward
- Group demonstrates concept of co-design and increased transparency in decision making

What else should be highlighted here?

MRWG Feedback II

Comment

The purpose and intent of the report should be clearly articulated

Potential Messages

- Provides a plain language overview of Market Renewal
- Succinctly sets out what Market Renewal is and why it is needed
- Demonstrates a shared commitment to the project
- Provides transparency into the views and work of the MRWG
- Illustrates progress to date and highlights next steps

How would MRWG members want to describe the purpose/intent of the report?

MRWG Feedback III

Comment

Defining scope is important – including what is not part of the project

Potential Messages

- Market Renewal is focused on improving the efficiency of our existing market design and preparing to cost-effectively manage future change
- Market Renewal is made up of a specific set of 7 initiatives; while these are the changes we are working to implement today, they will position us to make other important changes in the future
- The initiatives within scope are: ICA, SSM, DAM, ERUC, MFIS, Enabling System Flexibility (to address near-term flexibility needs) and Capacity Exports
- There are also important potential initiatives that are out of scope for Market Renewal but that require attention today (so we are prepared to integrate them into the new market design if and when needed)
 - These include: potential incentive mechanisms for non-emitting resources, potential incentives to meet long-term flexibility needs, integrating distributed resources, etc.
 - The IESO and stakeholders will work together to develop a Market Development Roadmap to demonstrate how Market Renewal fits alongside other market initiatives

What other considerations would the MRWG like to see included here?

MRWG Feedback IV

Comment

The report needs to demonstrate progress

Potential Messages

- Implemented enhanced stakeholder engagement structure
 - Focus on co-design; increased transparency in decision making; CEO-RT helps provide corporate alignment; MRWG provides new forum for engagement
- Completed benefits case illustrating substantial efficiency benefits from Market Renewal
- Completed fundamentals phase for ICA and SSM and on track to complete HLDs Q2/Q3 2018; launched DAM and ERUC SEs
- Capacity export agreement with HQ by end of year; near term flexibility solution in place end 2017/early 2018
- Have plans in place and making progress on stakeholders' most critical strategic issues
 - e.g., hope to be able to demonstrate important progress on some or all of: contracts, non-emitting resources, governance

Comments and feedback from the group?

MRWG Feedback V

Comment

The report should demonstrate how stakeholders have shaped this process and future opportunities to participate

Potential Messages

- The process is focused on co-design and making design decisions through substantial consensus
- Through the SEs and MRWG stakeholders have substantial opportunity to influence design choices
- Through the MRWG and sub-committees stakeholders are influencing how strategic issues are being managed through Market Renewal
- Stakeholders have very directly impacted process for this engagement as well
 - Forming sub-committee on non-emitting resources as a result of stakeholder input
 - MRWG crafted mission and principles, provided support for establishing CEO-RT , provided guidance on timelines, is co-writing ToR, etc.
 - SEs are resulting in more transparent tracking of issues and options/decision making

What other highlights should be included in the report?

MRWG Feedback VI

Comment

Should this report be a one-off or part of a regular update?

- Could the first publication be a more fulsome “report” followed by briefer supplementary update documents?
- How frequently might updates be published?

Comment

The report should include a next steps section with project milestones and timing of next report

- Milestones were formerly captured under a section called “program details” can replace with “next steps”
- Can draw on information published in the Market Renewal Work Plan document (to be published in Q3)

What specific pieces of information (e.g., milestones, etc.) would the MRWG like to see captured in this section?

MRWG Feedback VII

Comment

The report should look at future changes and how Market Renewal can be adaptive

- In part this is captured under the scope discussion
- Can identify potential future initiatives like incentives for non-emitting resources, flexibility products, and integrating distributed resources and identify how these are being addressed today
- Can illustrate how changes we are making today set an efficient framework for future change

How else should we consider addressing this comment in the report?

Next Steps

- Next meeting is September 20
- Expect to continue developing work plans; move forward sub-committees; continue work on report; prepare for design discussions at MRWG