

Market Renewal Working Group (MRWG)

September 24, 2018

Meeting Summary

September 24, 2018	1pm – 4pm	Vantage Venues, 150 King Street W, Toronto
Invited	Company	(A) Attended in person; (P) Attended by phone; (R) Regrets
Brandy Giannetta	CanWEA	A
Cara Degelman	Resolute Forest Products	A
Colin Anderson	AMPCO	A
Chris Codd	TransAlta	A
David Butters	APPrO	A
Don Dewees	Market Surveillance Panel	A
Francesca Dobbyn	United Way of Bruce Grey	R
Francois Abdelnour	Ivaco Rolling Mills	R
Frederic Belanger	Hydro Quebec	A
Jason Chee-Aloy	Power Advisory LLC	R
Jennifer Tuck	NextEra Energy	A
Julien Wu	Brookfield Renewable	R
Lynn Wizniak	OPG	A
Matt Sachs	Peak Power	A
Margaret Kuntz	TransCanada	A
Pat Dalzell	Bruce Power	A
Paul Clipsham	CME	R
Samira Viswanathan	Power Consumer	A
Sarah Griffiths	EnerNOC	A
Sushil Samant	Northland Power	A
Thanh Nguyen	TransAlta	R
Barbara Ellard	IESO	A
Brennan Louw	IESO	A
Darren Matsugu	IESO	A
Jason Grbavac	IESO	A
Jessica Savage	IESO	A
Stephen Nusbaum	IESO	A
Tom Chapman	IESO	A

All meeting material is available on the IESO website at: <http://www.ieso.ca/en/sector-participants/market-renewal/market-renewal-working-group>

Introduction – Jason Grbavac and Jessica Savage, IESO

The IESO welcomed the MRWG members and introduced the agenda. The IESO then moved on to re-cap the high-level timelines and highlight dates for upcoming engagements.

The IESO advised stakeholders that the transition of the MRWG to the Markets Committee will be placed on hold until the conclusion of the Decision-Making Advisory Group when outcomes can be shared and understood. The IESO then summarized the progress of the Decision-Making Advisory Group sessions and confirmed next steps.

A Decision-Making Advisory Group member commented that the sessions had been productive and useful in terms of setting out the key issues. The member went on to say that the focus should now be on determining root causes from which solutions can be considered.

Engagement Update and Plan – Barbara Ellard and Jason Grbavac, IESO

The IESO provided an overview of how the High-Level Design (HLD) will transition to the detailed design phase. This will involve pivoting the existing energy initiatives to five work packages. The IESO committed to work with stakeholders towards a smooth transition to the detailed design phase by the end of 2018.

There were no MRWG member comments or questions.

The IESO then went on to present the engagement plan for detailed design.

An MRWG member asked if there is a schedule for the five work packages described in the IESO presentation.

The IESO responded that this is something they are working on and will provide further detail as the approach is developed.

An MRWG member suggested that market participants should also be involved in discussions related to seams issues and integration work.

The IESO responded that they recognize this as an area to involve stakeholders and will provide further detail on how this will occur as the engagement approach is developed.

Energy Update – Darren Matsugu, IESO

The IESO provided a summary of the topics discussed in the September stakeholder engagement meeting for the energy work stream. The IESO also advised that they will make a decision on holding an energy stakeholder engagement meeting in November based on feedback received on the most recent design updates.

There were no MRWG member comments or questions.

NERSC Update – Tom Chapman, IESO

The IESO summarized progress with the NERSC modelling exercise and comments received from the August NERSC webinar. This included a summary of stakeholder feedback received on the scenarios and assumptions to be used in the modelling exercise. The IESO then went on to confirm next steps with the modelling work.

An MRWG member asked whether the IESO will select a base case in the modelling exercise against which other scenarios can be compared.

The IESO responded that they do not intend to have a formal base case. The modelling exercise will present a series of scenarios and then leave stakeholders to determine their own perspective on what outcomes are most likely.

An MRWG member responded that it would be useful to know what the IESO considers the base case so that market participants can then compare this to their own interpretation.

The IESO thanked the member for this feedback.

An MRWG member asked how Distributed Energy Resources (DERs) will be included in the modelling.

The IESO responded that one of the scenarios within the modelling exercise would explore the potential impact of a high level of DER participation. Within this scenario the exercise would explore two variants: one in which the DERs participate within the IESO administered markets and one in which they do not participate.

There were no further MRWG member comments or questions.

Round table discussion – IESO and MRWG members

As part of the round table discussion, an MRWG member asked what is driving the change in date of the first capacity auction from 2021 to 2023. The MRWG member also noted that it

would have been useful for the MRWG to discuss and provide feedback on the change before it was formally communicated.

The IESO responded that the revised timelines are due to a recent review of the work required to develop and implement the project. The IESO committed to share more information on the updated schedule with stakeholders at the October ICA engagement meeting for discussion and comment.

An MRWG member expressed disappointment with the delay and went on to note that while they recognize the challenges associated with such a project, they believe it could still be achieved within a shorter timeframe.

Another MRWG member supported these comments and noted that the IESO could use the demand response auction, or an alternative pilot project, as a starting point upon which to build.

Another MRWG member questioned whether delaying the ICA until 2023 would result in a capacity requirement in the early 2020s that cannot be met by the initial auction. The member suggested it might be preferable to run an earlier version of the auction that could then be evolved to meet the larger demand in the later years. This was supported by other MRWG members who noted the value of being able to evolve the auction design as the capacity requirement grows.

The IESO thanked MRWG members for their feedback.

An MRWG member asked what options, that align with market renewal, could be considered if the capacity need arises before the auction is ready.

The IESO responded that further analysis is required to first understand if there is a capacity need before the first auction. The IESO will then look to engage stakeholders to understand to most appropriate tool to meet this capacity need if it arises before the first auction.

An MRWG member requested that more content and detail be shared at the next ICA engagement session.

The IESO confirmed that the next ICA engagement meeting would include more detail on this issue as well as an opportunity for further discussion.

Southwest Power Pool (SPP) presentation – Richard Dillon, SPP

The SPP representative provided a presentation on how SPP's market has evolved in the past, efforts that they have taken to integrate renewable resources into their grid and what changes they anticipate as their market continues to evolve. The presentation concluded with a discussion around the integration of storage, drivers behind the growth in the wind capacity and outlook for system demand. The SPP representative also summarized the benefits which have been realized from past market reforms.

Midcontinent Independent System Operator (MISO) presentation – Jeff Bladen, MISO

The MISO representative delivered a presentation covering past market evolution efforts within MISO and an overview of the MISO market roadmap process. The presentation concluded with a summary of emerging challenges related to market evolution.

MRWG members and the MISO representative discussed how initiatives are prioritized for the MISO Market Roadmap. This included an overview of the stakeholder engagement activities that go into the defining MISO's vision and strategy. The group also discussed participation from different resources in the MISO capacity market, and the expected growth of new products as the market evolves.

The meeting concluded at 4:00 pm.

The next meeting is scheduled for October 17.