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**APPRO**  
 ASSOCIATION OF  
 POWER PRODUCERS  
 OF ONTARIO

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Mr. Terry Young  
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**Re: APPRO Comments on Technical Panel Review**

APPRO is pleased to submit its comments on the recent review of the Technical Panel. These comments elaborate on those provide at the October 22<sup>nd</sup> SAC Meeting.

The generators support many of the recommendations put forward by the Technical Panel review undertaken by Power Advisory. Overall, the proposed changes are consistent with some key areas of concern identified by the generators community at the SAC meeting held on March 26, 2014. Below is a matrix showing the key areas of concern, how the recommendations set by the review would address those concerns and possible gaps.

We wish to recognize the commitment in this instance of the IESO working with its stakeholders to undertaking this review and we view the consultant's report as a reasonable basis for change and continuous improvement in an important aspect of market administration.

Area	Concern	Technical Panel Review Recommendations	Potential Gaps/Comments
<p><b>Transparency</b>  <i>(as identified by the Generators at SAC on March 26, 2014)</i></p>	<p><i>At all discussions with the IESO Board of Directors (BOD) that deal with matters pertaining to Panel business, the Panel is to be represented by individual(s) who are sitting members of the Panel and not IESO employees.</i></p>	<ul style="list-style-type: none"> <li>• 'Votes with Reason' will ensure that the positions of stakeholders is conveyed to the IESO BOD</li> <li>• TP members to vet and sign off on all MRA memos conveying advice and recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• The recommendations set by the review partially improve the transparency issue identified in March</li> <li>• Panel representatives should be present in discussions</li> </ul>

		regarding rule changes	between IESO staff and BOD
<p><b><u>Voting Rules</u></b></p> <p><i>(as identified by the Generators at SAC on March 26, 2014)</i></p>	<p><i>The governance and structure By-law of the Independent Electricity System Operator should be amended to eliminate the voting rights of the IESO at the panel.</i></p>	<ul style="list-style-type: none"> <li>• The IESO will continue to chair the TP</li> <li>• The chair loses its voting rights but the IESO retains a member with voting rights</li> </ul>	<ul style="list-style-type: none"> <li>• The IESO should continue to chair the TP but should lose <b><u>all its voting rights</u></b></li> </ul>
<p><b><u>Market Participant Involvement</u></b></p> <p><i>(as identified by the Generators at SAC on March 26, 2014)</i></p>	<p><i>When a Panel representative requests that constituent be given the opportunity to speak to the Panel on a given issue, that request will be granted and the impacted market participant will be given the opportunity to present to the Panel.</i></p>	<ul style="list-style-type: none"> <li>• Where there is relevant technical expertise on a specific matter available during a meeting from a non-TP/IESO staff member, the chair should create opportunities for such expertise to be brought forward and shared with the TP</li> </ul>	<ul style="list-style-type: none"> <li>• The Technical Panel should be responsible for opening the floor to market participants to talk about issues</li> <li>• IESO should formalize the ability of Market Participants to present at the Technical Panel</li> </ul>
<p><b><u>Generator Representation</u></b></p> <p><i>(as identified by the Generators at SAC on March 26, 2014)</i></p>	<p><i>Generators are under-represented in the current format of the Technical Panel. The majority of market rules impact generators more than other participants.</i></p>	<ul style="list-style-type: none"> <li>• Restructure TP membership to incorporate additional areas of technical expertise, new and emerging areas within Ontario's market, and to provide balance between membership: <ul style="list-style-type: none"> <li>❖ <b><u>Production:</u></b> 1 nuclear, 1 gas fired, 1 hydroelectric, 1 non-hydro renewable</li> <li>❖ <b><u>Consumption:</u></b> 1 low-volume, 1 high volume. <b>2 conservation and demand management</b></li> <li>❖ <b><u>Other:</u></b> 1 distributor, 1 transmitter, 1 trader, 1</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• This is a significant step forward. Generators representation is a better reflection of the involvement of the Generator community in the Ontario's electricity market</li> <li>• There are two Conservation and Demand Management representatives. <b>The rationale behind this is unclear given relative size of market participation and</b></li> </ul>

		<p>financial</p> <ul style="list-style-type: none"> <li>❖ 1 IESO member (voting) + IESO Chair (no vote)</li> </ul>	<p><b>market rule impacts.</b></p> <ul style="list-style-type: none"> <li>• Can we renew TP membership? What is the process to nominate representatives? Are current members eligible?</li> </ul>
<p><b><u>Interplay of TP, SAC and Policy Setting</u></b> <i>(as identified by TP review, August 29)</i></p>	<p><i>There is a gap and lack of communication between the Stakeholder Engagement process (including SAC) and the TP, which becomes highly evident in situations dealing with controversial MRAs.</i></p> <p><i>Decisions made and expertise shared in SEs are not always effectively integrated as necessary informational inputs for TP to consider when deliberating over MRAs and decisions</i></p>	<ul style="list-style-type: none"> <li>• Create early touch points between SAC/SEs and TP by more effectively briefing TP on applicable SAC/SE issues that may impact MRAs</li> <li>• TP members should be invited to applicable SE meetings</li> <li>• IESO to provide TP with briefing memos from respective SEs</li> <li>• Most policy discussions are more appropriately addressed within applicable SEs (not TP)</li> </ul>	<ul style="list-style-type: none"> <li>• The existing gap between SEs and TP cannot only be addressed with increased communication. <b>Closing the gap will require procedural changes.</b></li> <li>• To enhance transparency, <b>SAC members should be able to vote (with reason) on policy put forward by the IESO.</b> SAC endorsement should be recorded and communicated to TP.</li> <li>• How will the IESO/OPA merger change the SAC? The terms of reference should address this issue.</li> </ul>

Sincerely,

David Butters  
President & CEO