

Stakeholder Engagement Framework: Principles and Process

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Objective of Engagement

Provide individuals and organizations with the opportunity to provide input and feedback about proposed decisions or changes in an open and transparent environment.

To do this, the IESO must:

- Build the case for change, engage in meaningful discussion and communicate effectively
- Actively engage a broad range of stakeholders at various levels
- Continue to build lasting partnerships with market participants, stakeholders, communities and others to evolve Ontario's electricity sector

Inputs for Proposed Stakeholder Engagement Framework

- Reviewed principles and processes of former IESO and OPA, including two Stakeholder Advisory Committees (SAC), two sets of stakeholder engagement principles and stakeholder engagement processes (January 2015)
- Discussed with SAC what works and any areas for improvement to consider (February 2015)
- Incorporated input from SAC and stakeholders on development and appointment of one SAC (April 2015)
- Stakeholder priorities received and incorporated for comment in draft business plan (March to August 2015)
- **Seek input from SAC and stakeholders on proposed set of principles and a process to meet objectives for effective stakeholder and community engagement practices for the merged IESO (October 2015)**
- Finalize Stakeholder Engagement Principles and Process for the IESO

Early Feedback from SAC on Principles and Process

Goals for engagement should include:

- Ability to influence decisions before decisions are made
- Engage in two-way conversation to ensure feedback is heard and considered
- Conduct transparent, open and honest discussions
- Demonstrate how feedback has informed decision

Early Feedback from SAC on Principles and Process – Cont'd

Characteristics of engagement should include:

- Identify parameters of engagement including scope of areas for input
- Pre and post discussions important
 - Provide lead time for review of issues
 - Demonstrate how feedback is considered promotes greater stakeholder contribution
- Ensure effective use of stakeholder resources
- Stakeholders have a right to be involved and influence decisions
- IESO should follow best practices

IESO Scope of Engagement Activities



Stakeholders in Ontario's Electricity Sector

Principles and processes must fit different needs and types of stakeholders:

- Consumers – residential, embedded retail/industrial, directly connected industrial
- Generators – gas, nuclear, wind, solar, hydro-electric
- Transmitters
- Distributors
- Electricity traders/wholesalers
- Aggregators
- Innovation and research groups
- Smart grid development
- Gas utility
- Conservation related services
- Municipalities
- Environmental advocates
- Aboriginal communities
- Academia

Principles

IESO Principles

The IESO proposes a set of principles to guide the conduct of both the IESO and stakeholders to ensure that engagement is conducted with integrity and provide the IESO with guidance to receive, review and respond to stakeholder input towards an efficient and effective process. The seven principles include:

1. Assess Issues for Change
2. Inclusive and Adequate Representation of all Stakeholders
3. Providing Effective Communication and Information
4. Promoting Openness and Transparency
5. Building Trust
6. Neutral Facilitation
7. Communicate Outcomes

*See Appendix A for full description

Process

Steps of Engagement

- **Pre-Engagement** to scope and plan
- **Stakeholder Engagement Plan or Terms of Reference**, where applicable, for review and comment at the outset of an engagement
- **Feedback loop** includes stakeholder input followed by an IESO response explaining how the feedback was considered
- **Communicate Decision** including demonstrate how stakeholder input has shaped the final result

Key Attributes to Guide IESO Engagement Activities

- Scoping
 - Describe the issue and level of engagement – inform, educate, consult
 - Identify areas for input
 - Assess impacts / opportunities on IESO and stakeholders
 - Analyze stakeholder interest
- Planning
 - Outline decision making process (set expectations) and how input will shape decision
 - Set goals, objectives and appropriate level of stakeholder engagement
 - Identify method/forum of engagement
 - Define implementation

Characteristics of Open and Limited Engagement

- Open engagement:
 - All inclusive
 - Web postings of materials
 - Open feedback loop
- Limited engagement
 - Specific stakeholders
 - Working groups
 - Some web postings
 - One on one feedback loop

Current Methods of Engagement

- Stakeholder Advisory Committee
- Technical Panel
- Planning Committees – Local Advisory Committees
- Community Engagement – First Nations & Metis, Regional Planning
- Working Groups
- Standing Committees
- Forums (EDA sponsored)
- Public Information Sessions / Webinars
- Stakeholder Engagement Initiatives
- Procurements with Qualified Applicants

Stakeholder Engagement – Process Continuum

- **Stakeholder Process for Policy Initiatives**



Stakeholder Process for Non-Policy Initiatives



Measurement

Measurement

- Annual survey, or more, of stakeholders who have participated in a stakeholder initiative to allow for continuous improvement
- First survey will establish a baseline to compare for future
- Survey would test adherence to the principles and stakeholder satisfaction with the process

Questions for Discussion

- The principles are meant to guide the conduct of the IESO and stakeholders within the stakeholder engagement process. Please identify any characteristics from either perspective that may have been missed.
- The Stakeholder Engagement process provides instruction for the IESO to conduct a process in accordance with the principles and sets the expectations for stakeholder involvement in the process. What are some of the characteristics that should be considered in the development of the detailed process.

Best Practices for Stakeholder Engagement

Best Practices - International Association of Public Participation (IAP²) - Core Values of Participation

1. Stakeholder engagement is based on the belief that those affected by a decision have a right to be involved in the decision-making process.
2. Include a promise that contributions will influence the decision.
3. Promote sustainable decisions by recognizing and communicating the needs and interests of all participants, including decision makers
4. Seek out and facilitate the involvement of those potentially affected by or interested in a decision.
5. Seek input from participants in designing how they participate.
6. Provide participants with information they need to participate in a meaningful way.
7. Communicate to participants how their input affected the decision.