

# IESO response to input received at the October 1, 2015 Stakeholder Advisory Committee meeting

The IESO appreciates the feedback and input received during discussions at the October 1, 2015 Stakeholder Advisory Committee (SAC) meeting. This paper serves to highlight the feedback that the IESO took away from the discussion for further consideration and the IESO's response to how that feedback has been considered to help further shape the items discussed.

The meeting agenda and materials are available on the IESO website at [www.ieso.ca/sac](http://www.ieso.ca/sac). The IESO responds to input on the following four topics:

- Corporate Performance Measures
- IESO Stakeholder Engagement Framework
- Foundation Working Group
- Other comments for consideration

## **Corporate Performance Measures**

This discussion followed up on feedback received at the August SAC meeting to provide more details on the performance metrics associated with the IESO's draft 2016 – 2018 business planning process. Discussion at the October 1 meeting focussed on the nature and measurement of the draft eight performance targets. Following are the themes that were derived from the feedback along with the IESO's response on how that feedback has been taken into account. Attached as Appendix A is a revised version of the 2016 Corporate Performance Measures.

### **Theme #1: Corporate Performance Measures (CPM) need to be more forward looking**

*IESO response: The 2016 CPMs have been updated taking into consideration the SAC's desire for further details. Performance objectives have now been defined to provide more forward looking outcomes that the IESO seeks to achieve over the business planning period for each of the measures while targets define the result the IESO expects to achieve within 2016 itself.*

### **Theme #2: Remote communities need to be brought to the forefront**

*IESO response: A target pertaining to remote communities has been added to the 2016 CPMs.*

### **Theme #3: Business parameters and minimum targets would be helpful in determining the success to meet the FIT and MicroFIT targets**

*IESO response: While the IESO will be actively trying to meet the targets that have been set, the inclusion of the words "cost efficient", along with "transparent, consistent and efficient processes" are intended to convey that price to the ratepayer and robust processes together play a part in whether the targets are fully achieved.*

**Theme #4: Further clarification requested in determining the 80% target for priority projects**

*IESO Response: The 10 projects selected as priority projects for 2016 are those that advance market related initiatives, improve processes for Market Participants and/or the IESO, are required to meet NERC standards, or are important to the IESO's ability to reliably operate the IESO-Controlled Grid or IESO-Administered Market. These projects are generally larger and more complex in scope with longer implementation timelines, involving interaction and dependencies both internal and external to the IESO. Recognizing this, and the likely need to adapt to changing priorities over the coming year, an 80% target was considered to be an appropriate success target. The 10 priority projects are: Energy Management Refresh; Market Information Management Refresh; Registration Automation; Outage Management Replacement and Redesign; NERC Critical Infrastructure Protection V5 Compliance; Market Information System Refresh; Demand Response Auction; Enterprise Cyber Security Management Refresh; Enterprise Cybersecurity Enhancement; Microsoft Exchange Refresh.*

In addition, a comment received, in writing, after the October 1 meeting encouraged the IESO to ensure that it continues to measure and evaluate its efficiency for future business planning.

**IESO Stakeholder Engagement Framework**

While many comments from SAC members on the engagement principles and process during the October 1 SAC meeting were positive, five themes and one additional comment received after the meeting were identified as areas to consider for the development of the Engagement Framework for the IESO's merged mandate. The IESO addressed these areas for improvement in the revised version of the IESO Engagement Principles attached as Appendix B. The themes along with the IESO's response are as follows:

**Theme #1: The principles should apply to all areas of engagement across the organization**

SAC Feedback: Members raised issues and concerns that while the stakeholder engagement process of the former IESO is one of the best in the industry it was important to identify that not only does the merged IESO have a broader set of customers it cautioned that the amount of engagement efforts will grow exponentially across multiple areas of business. Examples of those business areas include regional planning and procurement.

*IESO Response: The Engagement Principles were updated to more specifically define who might be involved in IESO engagement activities. In general, the introductory paragraph was updated to provide assurance that the IESO maintains its commitments to the principles for engagement across all business units.*

**Theme #2: Measurement should be added to the principles**

SAC Feedback: If the IESO is ensuring through the corporate performance measures to demonstrate improvements to engagement satisfaction, this should be part of the principles.

*IESO Response: Principle #8 has been added*

**Theme #3: Early engagement is important to discuss relevancy, rationale, education and set expectations on decision-making**

SAC Feedback: Members have voiced opinions that some engagements may be disingenuous in that decisions are already made in advance of engagement. It was requested to have early discussions that could help determine the validity of the change and/or set proper expectations with decision-making and scope of engagement.

*IESO Response: Principles #1 and #3 have been updated to address the ability to discuss matters as early as possible. However, the IESO does recognize that it is not always possible to discuss matters as early as others may deem appropriate. And, in some cases, the change initiative may not be subject for discussion (ie. Directives).*

**Theme #4: IESO should make its position clear and won't always be neutral**

SAC Feedback: (The draft principle indicated that the IESO will be a neutral facilitator.) A member questioned the IESO's ability to be neutral and, in fact, suggested that the IESO's position should be openly shared and not hidden behind a commitment to be neutral.

*IESO Response: Principle #6 was amended to clarify that the IESO needs to provide effective facilitation, rather than neutral. Principle #4 was amended to clarify that the rationale for a separate Corporate Relations function within the IESO is to ensure the facilitation of engagements is not in conflict with the business unit that is a proponent of an initiative. Principle #4 was amended to ensure the IESO shares its perspective.*

**Theme #5: Be open to new ideas and opportunities and help facilitate new technologies, don't just focus on changing existing rules**

SAC Feedback: A member noted that with the IESO's expanded mandate, the principles should address broader possibilities outside the market and system operations and should look for innovation and improvement in the marketplace. In addition, don't limit the IESO's ability to discuss other initiatives.

*IESO Response: While it is difficult to ensure that we would be open to facilitate a discussion on all ideas, the IESO can commit to analyze opportunities for improvements, new ideas and engagement. This is now captured in the introduction as well as in principle #1.*

In addition, a comment received, in writing, after the meeting outlined the importance for the IESO to ensure the opinions are heard and demonstrated and/or integrated into decisions or outcomes. And the SAC member cautioned that if not consistent across the entire organization the process could be jeopardized.

*IESO Response: This set of principles is intended to apply to the entire organization. The IESO agrees that there needs to be consistency across the organization as captured in principle #7.*

Finally, during consideration of these comments, the IESO identified an opportunity to remove the draft principle: “Build Trust”. It was discussed that building trust would represent an outcome rather than a practice to follow. As a result, the IESO has incorporated a goal within the introductory paragraph to foster an environment of mutual trust for effective dialogue. The elements from the original “Build Trust” principle about listening and honestly were incorporated into the principle about facilitation.

### **Foundation Working Group**

The Foundation Working Group is currently an active stakeholder engagement initiative. The meeting materials can be found on the website at <http://www.ieso.ca/Pages/Participate/Stakeholder-Engagement/Foundation.aspx>.

Discussion with the SAC members focussed on understanding the benefits and risks of enhancing the data in the Meter Data Management/Repository. The following feedback was provided during this discussion which will be considered and responded to through the Foundation Group stakeholder engagement initiative.

**SAC Feedback:** A process (or assurances) needs to be developed to manage the potential for any breach in data or contractual breach.

**SAC Feedback:** There is a need to enhance the data associated with general service customers greater than 50 kW in order to provide opportunities for cost savings through programs like demand response and peak energy management. It was also recommended that a process to get early sign-off from these customers would be useful given potential concerns of sharing commercially-sensitive data.

**SAC Feedback:** A cost analysis should be completed before moving to implementation.

**SAC Feedback:** In preparation for implementation, a model needs to be adopted that ensures that users of the data share the implementation costs so that customers do not shoulder the entire expense of the work. In addition, the goal should continue to focus on providing the ability to lower consumer costs.

### **Other comments for consideration:**

**SAC Feedback:** Members requested more transparency be given to how decisions are made – particularly in finalizing the latest FIT price as well as the publishing of the NUG Framework Assessment Report. It was noted that there is a gap between what the expected outcomes were and what was actually released.

*IESO Response: The IESO recognizes the concerns of the members of the SAC and notes that the updated IESO Engagement Principles are meant to provide the framework for mitigating any future gaps in the expectations versus outcomes of the IESO decision-making process.*