

IESO response to input received from members of the IESO Stakeholder Advisory Committee

May 10, 2016

The IESO is committed to providing the Stakeholder Advisory Committee (SAC) with meaningful opportunities to provide meaningful and timely feedback into IESO initiatives. The IESO appreciates the feedback and input received during discussions at the February 10 and March 23, 2016 SAC meetings. This paper highlights the feedback given by SAC members and describes how and where it will be, and has been considered.

Input from SAC meetings has been summarized into the following topics:

- I. Market Renewal
- II. Peaksaver PLUS
- III. Large Renewal Procurement II
- IV. Priorities for the 2017-2019 Business Planning Period
- V. Ontario Planning Outlook

The meeting agendas and materials, including meeting notes, are available on the IESO website at www.ieso.ca/sac.

I. Market Renewal

At the February 10 SAC meeting, members were asked to provide input to help shape the launch of the Market Renewal engagement initiative. The following feedback was provided by SAC members and will be considered and responded to with other stakeholder feedback through the Market Renewal engagement initiative. The meeting materials and engagement activities can be found [here](#).

SAC feedback:

- Generators seek neutrality with changes in the market – contracts should be aligned with those changes; it will be important to focus on current assets in addition to any new projects
- Focus changes to provide strong market signals in an effort to support lower overall costs
- A road map to show market interdependencies would be helpful
- A good action plan with timelines and targets is needed
- Any changes should undergo a cost-benefit analysis to improve the bottom line for consumers
- Cap and trade initiative needs to be considered/incorporated

II. Peaksaver PLUS

The IESO appreciates the input received from SAC members on February 10 to explore the options for the future transition of the peaksaver PLUS program. Below is a summary of the feedback heard from SAC. The feedback was considered in the [IESO's Response to Feedback](#) which is posted on the peaksaver PLUS engagement [webpage](#).

SAC feedback:

- Residential demand response should be approached in a more holistic way – taking new technologies into consideration i.e. microgrids, battery, electric vehicle, solar, etc.
- Stranded assets/costs need to be considered in transition of this Program
- Consider coordinating gas and electricity products/opportunities
- Energy should be controllable from both perspectives – those who deliver and those who use energy should be compensated
- Price signals are key

IESO Response: The IESO's recommendation, as outlined in its Response, is to move away from the current design and allow LDCs to design and make a business case for a residential energy management program that best meets local needs and objectives. The IESO will continue to use the peaksaver PLUS resource and provide funding for maintenance of currently enrolled devices, but will cease funding for new installations as of the beginning of 2016. In tandem, IESO will work with stakeholders in the context of the DRWG to facilitate participation of residential DR in the DR Auction.

III. Large Renewable Procurement II

At the launch of a new engagement initiative for LRP II, the IESO invited feedback from SAC members to help identify any lessons to be learned from the LRP I engagement initiative as well as feedback from the LRP I RFQ and RFP processes for consideration in the launch of the LRP II process.

The following input was heard from SAC members at the March 23 meeting and will form part of the feedback received from all stakeholders in this engagement. The IESO will respond to this feedback and post it on the LRP II engagement [webpage](#).

SAC feedback:

- More detail about the evaluation criteria is needed in the engagement
- Procurement process should align with regional planning discussions
- Connection capacity information should be available sooner, and updated, if possible
- Standards are needed for (community) consultation requirements
- IESO should consider the release of a feasibility study with each procurement process
- Provide a more expedited and iterative process for engagement

IV. Priorities for the 2017-2019 Business Planning Period

A summary of the priorities submitted by SAC members, and other stakeholders, for the IESO's 2017 to 2019 business planning process is attached as Appendix A. The IESO is currently considering the priorities identified from SAC members and will publish a response to demonstrate how they have been considered in the IESO's draft 2017 to 2019 business plan.

V. Ontario Planning Outlook

The IESO acknowledges the input received from SAC members at the March 23 meeting. A summary of the input received and the IESO's response is included in the May 11 [Ontario Planning Outlook](#) presentation.

Appendix A

Summary of priorities submitted by members of the Stakeholder Advisory Committee for the IESO's 2017 to 2019 business planning period

Following is a summary of the priorities submitted by Stakeholder Advisory Committee (SAC) members, and other stakeholders, for the IESO's 2017 to 2019 business planning process. For a more detailed description, refer to the [Meeting Notes](#) of the March 23, 2016 SAC meeting found at www.ieso.ca/sac.

Transparency and Data (transmitters, distributors)

- IESO needs to provide clarity and consistency in the data management for the Meter Data Management/Repository (MDM/R) to avoid duplication of costs – there is a risk that LDCs will manage different information in different formats
- Open access continues to be important

Conservation (electricity service providers, consumers, communities, distributors)

- Program development should focus on creative options that offer a greater risk-reward in performance
- Consistency and stability in program offering is important
- Continuous monitoring of value and accountability of programs are required
- Monitor the impact that new technologies have on future conservation programs and costs
- Consider behavioural and price incentives
- Transition program design and risk to LDCs from IESO – IESO to set parameters i.e. target, budget and cost-effectiveness

Gas-Electric Coordination (electricity service providers, distributors, generators)

- Remove barriers to collaborate conservation efforts with natural gas among IESO and LDCs including leveraging common tools, evaluation and reporting
- Continue to look for opportunities to coordinate to enhance reliability
- Look for opportunities to coordinate communication/education efforts

Cap and trade (generators, distributors)

- IESO should monitor cost impact of implementation
- Investigate impact that increased demand in CHP resources will have on cap and trade
- With carbon pricing planned for Jan 1, 2017, ensure that contracts remain flexible

Costs (communities, distributors, consumers)

- More work is required on better price signals
- Work with LDCs to provide better estimates for global adjustment (GA)
- Re-evaluate opportunities for GA aggregation

Education (consumers, communities, generators)

- Education needed to explain rising costs
- IESO has a role in education
- Leverage opportunity in Bill 135 to work with OEB to build public confidence as two agencies securing reliability
- Education needed to understand the conservation tools available and the bill
- Continuous education for new market participants

Market Development (generators, electricity service providers)

- Focus on less prescriptive approaches to technology
- Leverage opportunities with existing assets when it is economic
- Important to provide opportunities for engagement – i.e. observations, principles, open discussion
- This is opportune time for market renewal and meaningful cost impact analysis
- Capacity exports provide a base for future capacity market
- Increase flexibility in demand response
- Continue building capacity market

Planning (electricity service providers)

- Provide a more open process for stakeholder involvement
- More transparency for connectivity and feasibility studies
- Market should work to inform planning process
- Look to best practices and benchmarks in other jurisdictions
- Integrate regional planning with transmission planning

Engagement (generators, consumers, agricultural)

- Continuous improvement needed on stakeholder outreach, engagement, transparency and fairness
- Better manage expectations of stakeholders
- Engagement with communities

Corporate Vision (consumers)

- Important to continue to define scope and of organization
- IESO to inform government; define future possibilities

Reliability (generators, consumers, electricity service providers)

- Continue to clarify the IESO's important role of maintaining reliability