

IESO Stakeholder Advisory Committee
Minutes of Meeting
March 26, 2014 8:30 am
St. Andrew's Conference Centre, Toronto

Advisory Committee Members:

Mr. Todd Wilcox – Chair (representing Conveyors)
Mr. Jack Burkom (representing Electricity Service Providers)
Mr. David Butters (representing Generators)
Mr. Paul Ferguson (representing Conveyors)
Mr. Steven Hall (representing Consumers)
Mr. Ted Leonard (representing IESO)
Mr. Mark Schembri (representing Consumers)
Ms. Ersilia Serafini (representing Electricity Service Providers)
Mr. Paul Shervill (representing Electricity Service Providers)
Mr. Wayne Smith (representing Conveyors)
Mr. Tony Thoma (representing Consumers)
Mr. Adam White (representing Consumers)

Absent:

Ms. Michelle Chislett (representing Generators)
Mr. Richard Horrobin (representing Generators)

Presenters:

Ms. Angela Nichols, OG&E
Ms. Candice Trickey, IESO
Mr. Brian Rivard, IESO
Ms. Martine Holmsen, IESO

IESO Board Members:

Mr. Tim O'Neill – Chair
Mr. Rudy Riedl – Vice Chair
Mr. William Museler- Chair of IESO Audit Committee
Mr. David Cassivi
Mr. Bruce Campbell (TC- until the break)
Ms. Tricia O'Malley
Ms. Margaret Kelch
Mr. John Wiersma

Agenda Item No 1: Welcome – Todd Wilcox

Mr. Wilcox welcomed everyone to the meeting, in person and joining via teleconference.

Mr. Wilcox introduced and welcomed new SAC member, Steven Hall, representing consumers.

He acknowledged the strong representation from the IESO's Board of Directors and thanked them for their participation. As well, he acknowledged the participation of Mr. Bruce Campbell, on the phone.

Mr. Wilcox encouraged participation by everyone including those on the phone and in the audience, and stated that this forum is an opportunity to ask questions and raise issues.

No changes were made to the agenda.

Agenda Item No 2: IESO Senior Management Update - Ted Leonard

Update on Stakeholder Initiatives

<http://www.ieso.ca/Documents/consult/sac/sac-20140326-Update-on-Stakeholder-Initiatives.pdf>

Mr. Leonard referred to a chart showing the status and timelines of active stakeholder engagement initiatives. He advised that to help stakeholders better prepare for some of these initiatives, the IESO will be holding a public meeting on Demand Response on April 3, an all-day Capacity Market Information Session on April 8 and a Market Operations Awareness session on April 9 which will include discussions about the management of surplus baseload generation and a look ahead to upcoming summer operations.

Mr. Leonard indicated that it is the IESO's intention to update the stakeholder engagement chart monthly and post to the website.

Market Operations Update

Mr. Leonard referred to posted memo: <http://www.ieso.ca/Documents/consult/sac/sac-20140326-Market-Operations-Update.pdf> which provides some insights to the high prices seen in Ontario's electricity market and elsewhere over the past winter of extreme cold temperatures. Additional information is also available on the IESO's website (<http://www.ieso.ca/Documents/Pages/Ontario's-Power-System/IESO-Market-Update-Winter2014.pdf>).

Mr. Adam White advised that FERC is conducting information sessions about the events of the past winter, including a public information session in Washington on April 1, at which the U.S. ISOs will present, as well as a panel of marketers. He stated that the winter has been bad for customers in terms of the total cost of energy. He suggested that the IESO conduct or facilitate a similar inquiry in Ontario in order to understand if there are implications stemming from the

events of the past winter that would impinge on the IESO's mandate to protect the interests of consumers with respect to the reliability and adequacy of electricity service, specifically the adequacy of the fuel supply to support Ontario's supply mix. He stated, in particular, it is important to understand the interrelationship between the gas markets in Northeast and Midwest regions, as well as within Ontario. He advised that the number one priority of the AMPCO Board is to understand what happened and that he had advised the Board that he would encourage the IESO to make an inquiry or obtain a third party assessment in order to understand interrelations of the markets to ensure its legislative mandate for reliability and adequacy of power.

Mr. Leonard responded that the IESO would monitor what is going on in neighbouring jurisdictions, including proceedings at FERC. He further advised that it is expected that the Market Surveillance Panel (MSP), a body under the Ontario Energy Board, would review the pricing events of the past winter as it is their practice to review all pricing events above \$200/MWh, something it did regularly over the winter months. He advised that from a reliability perspective, Kim Warren and Operations staff are in contact with gas companies, both during times of peaked interest and through regular conversations typically before the summer and winter periods in order to understand where things are headed. He indicated that while the IESO does not view digging into the price of gas as its mandate, it is interested in ensuring that there's reliable supply – those conversations do happen and will continue to happen.

Mr. White followed up that it is not price of gas per se – it is the underlying circumstances his members would like to understand. In contrast to the electricity market which is highly transparent, there is no transparency in the gas market. He expressed his inability to find any public records about the transactions of gas and how it moves into and around Ontario. His group would like to understand the adequacy of transport for Ontario's 7,500 MW of gas generation.

Mr. Leonard indicated that it is not the IESO's role to fundamentally change what information is publically disclosed about the gas market. He suggested that the MSP is well-positioned to explore more fully. He confirmed that there are observations that the IESO must be mindful of as it moves forward with some initiatives, such as capacity markets.

Mr. David Butters commented that he understands the situation Mr. White describes. He stated however that to the best of his knowledge, at no time did the gas generators have transportation issues or issues with access to gas. Ontario generators may not have run on occasion because the economics did not support it. He stated that in his view, the market worked and there were no gas-related reliability issues. He acknowledged that the gas situation is complex, and he's not sure how the IESO could address that. The OEB is planning to do a natural gas markets review, either this year or next. There are proceedings happening in the U.S. that Ontarians need to be attuned to. The FERC has issued a Notice of Proposed Rulemaking (NOPR) looking

at reviewing the whole natural gas-electricity interface like as was done in Ontario a few years ago.

Mr. Tony Thoma advised that his questions are from a residential consumer point of view – what impact has the shift in supply mix from coal to gas had on electricity and heating costs? How much of the high cost is due to the harsh winter versus the increased generation by natural gas facilities? Also, what impacts will the supply mix have on gas storage and prices during the summer when there's demand to meet air conditioner load? He stated he's not sure who is best equipped to answer the question for consumers -- the IESO, OEB, or Ministry of Energy.

Mr. Butters stated that it would be helpful for stakeholders to get an update from gas utilities in the form of an information session to as to why the events of the past winter happened, what the learnings are, and what's going on currently in natural gas market.

Mr. White suggested that what FERC is doing would be a good idea here in Ontario and would give the IESO an opportunity to position itself in its appropriate role. He stated that it's important to understand how the natural gas delivery infrastructure works with the integrated regional planning process. The question that needs to be asked is whether this is a new normal. He believes the fundamental vision is an optimized and integrated energy system to serve of needs of the citizens of Ontario. He suggested that the better the energy industry can integrate gas and power, the faster the efficiencies that come from optimization can be extracted and these issues need to be interwoven with the work that the OEB and OPA are doing. He suggested that the IESO has the apparatus to communicate effectively with stakeholders and asked that the IESO help consumers understand why their bills are going up.

Mr. Leonard confirmed that to ensure future adequacy, the IESO will be in contact with gas companies to assess where the IESO is headed. Further, he stated that the IESO will take Mr. White's comments under advisement and that the IESO will have conversations with the OEB and OPA to pass along concerns that the IESO is hearing from stakeholders and will have conversations with them about what they see as their role and what actions they plan to take.

Update on Request for Proposal (RFP) for Energy Storage Resources

Mr. Leonard advised that the IESO held a briefing session for interested proponents on March 24, and that questions and answers from that session will be posted on MERX.

Mr. Thoma asked what technologies are in and out of scope in RFP.

Mr. Kim Warren responded that the RFP is targeted to maximize the number of technologies as per the letters the IESO received from the Minister of Energy. The RFP is shaped to encourage as many and diverse technologies as possible to participate and then they will be assessed through the weighting process.

Mr. Wilcox asked if there is a definition of “store for a period of time”.

Mr. Warren stated there is a definition in the RFP. He pointed out that there are two phases to the procurement framework. As per the *Long-Term Energy Plan*, a total of 50 MW of energy storage will be procured. The IESO is currently in the process of procuring up to 35 MW. In Phase 2, the OPA will procure the remaining megawatts; that phase is lagging a few months by design in order to incorporate learnings from Phase 1.

See Mr. Warren’s memo to the SAC: <http://www.ieso.ca/Documents/consult/sac/sac-20140326-Request-for-Proposal-on-Storage-Resources.pdf>

Update on Demand Response

Mr. Leonard referred to the posted memo: <http://www.ieso.ca/Documents/consult/sac/sac-20140326-Demand-Response.pdf> and added that later in the meeting during the discussions around the market development plan, Ms. Candice Trickey and Mr. Brian Rivard will touch on different aspects of demand response and its integrations into the markets.

Mr. Thoma expressed that there is interest on the part of small commercial industrial consumers about the minimum level required to participate in demand response proposal.

Mr. Leonard indicated that the details of that have not been worked out. The IESO is in the process of transitioning and integrating DR3 into the markets. The Demand Response Working Group will explore pilots to determine what other services DR can provide, including the size of participants. He indicated that the IESO is interested in engaging as many participants as it can and noted that other jurisdictions have been successful in bringing in some small amounts.

Update on Capacity Market

Mr. Leonard advised that the IESO is in the process of exploring capacity markets. It is currently wrapping up a study and that information will be shared shortly. The IESO is hosting a Capacity Market Information Session on April 8, at which other jurisdictions have been invited to share their insights. He encouraged participation in the session.

Update on 2013 IESO Customer Survey

Mr. Leonard advised that the customer survey undertaken in October and November of last year is an important measure with respect to the levels of participant satisfaction and provides useful insights. The results point to a growing readership of the IESO’s weekly bulletin and website.

See Mr. Terry Young’s memo to the SAC: <http://www.ieso.ca/Documents/consult/sac/sac-20140326-2013-IESO-Customer-Survey.pdf>

There were no further questions.

Agenda Item No 3: Stakeholder priorities for the Ontario Electricity Market

Mr. Wilcox indicated that understanding the stakeholder priorities is an important part of the IESO's annual business planning process. Each representative was asked to present their priorities.

Mr. Mark Schembri (representing Consumers)

- The consumer sectors support an integrated approach within the industry with respect to communications with customers during outages. The past year saw two significant outages that materially impacted businesses, namely the flooding in July and the ice storm in December, and which emphasized the gap in communications. The industry should look at improving its communications regarding the restoration of power and the provision of meaningful information so that customers can effectively manage activities within their own organization.
- Support looking at how global adjustment (GA) estimates are incorporated into LDC billing to better align with the way the market is transacting. If an LDC's bill is based on the first GA estimate and HOEP turns out higher than forecasted, as it did in January, consumers can see higher costs.
- Consumers support the IESO's work on demand response and hope for increased utilization of demand-side resources and believe that the retail sector can contribute.
- With respect to the Province's conservation first directive, consumers feel that there are a number of benefits to this directive and hope the OPA and IESO will work together effectively to implement as many initiatives as practical in support of this directive.

Mr. Wilcox advised that there is a multi-stakeholder committee conducting a review of what happened during the flood and ice storm and how the industry could do a better job of responding in the future, both with respect to communications and managing resources. He agreed that the industry could do a more effective job on communications, acknowledging that it is a significant challenge and thanked Mr. Schembri for his input.

Mr. Paul Shervill (representing Electricity Service Providers)

Mr. Shervill commended the IESO for its open and inclusive approach to ensuring all resources have access to the market, such as the Demand Response Working Group, the storage RFP, investigating a capacity market, and website refresh. These are all good initiatives and helpful to those who to date have not had adequate access to the markets. He noted his sector's priorities have not changed a lot from last year.

- Support and want the IESO to continue with market development initiatives, including looking at capacity markets, expanding the use of market-based tools for transferring DR3 into the market.
- Encourage the IESO and OPA to work together on regional DR opportunities.
- Commensurate with market development initiatives, there will be an ongoing need for customer access to the markets and a continuous need for participants to understand markets better through education and training. The upcoming awareness sessions are all good initiatives and efforts should be continued and increased if possible.

- Want continued aggressive matching up of market needs with demand-side technologies and products in order to better define what products are available and how they can benefit the marketplace.
- More attention should be paid well in advance to regional planning needs which are likely to arise sooner and more often than system needs. The OPA and IESO are encouraged to work together to identify where those needs might arise.

Mr. Jack Burkom (representing Electricity Service Providers)

Mr. Burkom advised that the priorities identified last year, except for the Export Service Tariff which has been settled, should remain areas of focus.

- While some process has been made on engaging stakeholders with respect to improving the Transmission Rights market, there has been a delay in moving to phase two of the engagement from 2013 Q4 to 2014 Q2. There is support for the IESO moving more quickly on this.
- Completion of the agreement for exchanging capacity with neighbouring jurisdictions is critical in 2014. There are a number of Non-Utility Generator (NUG) contracts expiring, and while that capacity is not necessarily valued in the province, without the IESO's cooperation and support, entities may be unable to monetize that capacity; however given the opportunity to export their products they would be able to continue to operate. This is related to but not contingent upon the IESO having its own capacity market.
- The IESO is encouraged to support analysis of how to better utilize the interties which are grossly underutilized and which can be used for transactions that support longer term serving of system needs, not just short-term balancing needs. The principles relevant to how we consider enabling other transactions on the interties are: relying on transparent price signals, equal opportunities for all resources types, using market for competitive solutions where applicable and most importantly minimizing barriers to participation.

Mr. David Butters (representing Generators)

- Price fidelity continues to be an important priority. The correction of market inefficiencies must be addressing material issues, and be demonstrated through cost-benefit analysis. Generator contracts must also be taken into consideration during decision making.
- Generators should be included with other market participants in all market evolution activities. Working groups should include all market participants that express interest in participating.
- Generators are interested in the continuous development of Market Operations. This includes for example measures aimed at improving IESO's performance in forecasting demand.
- Through SE-109, outage planning should be improved in order for generators to get more advanced approval of outages and increase certainty in the market.
- The IESO's Technical Panel presents opportunities for improvement in four areas:

- Transparency: At all discussions with the IESO Board 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.
- Voting Rules: 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.
- Market Participant Involvement: 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.
- Generator Representation: Generators are under-represented in the Technical Panel. The number of representatives should reflect the composition of the Stakeholder Advisory Committee. (The majority of market rules impact generators more than other participants).
- Communication: The industry's institutions (OPA, IESO, Ministry, government) need to do a better job educating about how the market works. Uninformed commentary leads to poor judgment on part of consumers and decision makers.

Mr. Tony Thoma (representing Consumers)

- The issue of communications between consumers, distributors and transmitters is a concern during extreme weather events as identified by other stakeholders.
- Question the robustness of the infrastructure to withstand these extreme weather events and the status and deferral of maintenance of these assets. How do consumers know that the right amount of reinvestment and reengineering is being conducted on these assets?
- Under the current price structure, with the convergence of time-of-use rates and the high percentage of the bill being consumed by global adjustment, there is little financial motivation for residential consumers to participate. The IESO, and possibly the OPA, should bring forward rate schemes to the Ontario Energy Board and Ministry of Energy for consideration some best practices on how to engage residential consumers in the market as learned from other jurisdictions such as Oklahoma Gas & Electric.

Ms. Ersilia Serafini (representing Electricity Service Providers)

- As demand response participation is expanded to different types of customers, the IESO needs to consider the ways that it will educate, communicate and engage with these new and different types of customers.
- Secondly, the roll out of conservation first should be an integrated approach into all energy planning, including not only operations and systems planning, but all stakeholder communications, and extending to all natural resource-related industries, such as gas, oil and water. The IESO needs to better understand and consider what its role is in these efforts, whether it be coordinating, participating, or leading.

Mr. Steven Hall (representing Consumers)

- Electricity prices are by far the most important priority for consumers.
- Consumer buy-in requires engagement and understanding. The industry needs to get back to basics, without energy jargon, to help general consumers make sense of pricing, including concepts such as global adjustment. Industry cannot move forward with engagement without acknowledging concerns and rebuilding trust.
- There is a growing concern that the industry will lose supporters of marketplace if efforts aren't made to engage and educate. He's hearing from some municipalities that as global adjustment increases, the value of price signals and forward contracts is lessening, causing some organizations to feel that their energy management programs are no longer needed.
- The type of outreach and timeliness of communications during outages is critical, particularly for commercial and institutional consumers that are served by multiple LDCs. While some LDCs, such as Enersource, did an excellent job during the recent outage, of providing timely updates on their website, others did not.
- Minimize burden of paperwork that create barriers for commercial and industrial consumers to participate in market. Make it work for the consumer first before everything else.
- Consumers want to be engaged and to have control over what goes on in their own homes. It is important that demand response participation is voluntary.

Mr. Wayne Smith added a comment that Hydro One strongly agrees with the principle of information transparency -- if distributors and transmitters have information around outages, it should be shared with consumers. What is needed is to find cost-effective technology solutions, such as websites and apps.

Mr. Paul Ferguson (representing Conveyors)

- Customer engagement is a priority. LDCs shouldn't wait to engage with consumers when lights are out or when bills are high – they should look at new ways to engage consumers on day-to-day basis. For example, Newmarket Hydro is running a contest which encourages consumers to look at their energy usage and pricing daily in order to earn points towards donations for a local health centre.
- Another priority is to investigate whether there is an opportunity for customers behind the distributor's meter to participate in the market through aggregated demand response. But in order to participate, they must be engaged. Currently the only customers that are engaged are those participating in OPA's DR programs or involved with AMPCO.
- Today with more inflexible generation (nuclear baseload, solar, wind) the challenge is to change load to match the generation. To get participation in demand response and conservation first initiatives, everyone, including the IESO, must look at ways to engage the consumers daily.

Mr. Wayne Smith (representing Conveyors)

- From a transmitter's point of view, consistently, the priorities are reliability and cost. Relative to the IESO, the questions are: Are we running the system reliably and are we doing it cost effectively?
- Ontario needs to keep watch and be mindful of what's going on in the U.S. with respect to NERC standards. Most recently, FERC has issued a direction and NERC is now developing standards around the physical security of transmission stations and transmission lines. While there is good reason to have the same standards and to deviate would have to be done carefully, Ontario needs to have a dialogue about what the risks are, the level of security needed and the cost that ratepayers are willing to pay. That dialogue is taking place very fast in U.S. and the default position is that Ontario just adopts that result if a dialogue does not happen here. The IESO is in a good position to spearhead that conversation.
- Future of adequacy is a priority. Looking forward five to ten years when the Pickering units will be out of service, Ontario will have tighter supply relative to now. Will the supply be adequate relative to the need? We need to look at the operability of the transmission system and entire grid, not just the markets. The IESO, OPA, and transmitters need to explore the risk profile and where the market is going? What happens if we have tighter supply, more dependence on gas, less nuclear supply during similar winter conditions? From a transmitter's point of view, the situation could make it more difficult to get outages; transmission could be more constrained; as well as the interties could become more constrained and critical.

Mr. Adam White (representing Consumers)

- The greatest challenge facing major power consumers is the high and escalating cost of energy in Ontario. It is necessary to understand what the contributing factors are and what steps can be taken to lower those costs of energy. There should be proactivity on the part of the sector to understand and explain. The IESO has an important leading role in this endeavour. It is important to explore potential efficiency opportunities, understand the timelines and prioritize them in order to chart a course to extract those efficiencies. To do this, it is important to understand how the market works, the physical dimensions and physics of the power system, and what are the co-dependencies between gas and electricity markets. The IESO, as the origin of all market information is transparent; the gas market is an example of a market where there is no such record keeping and no transparency.
- The primary role for the IESO is to be an impartial, transparent, fair administrator of the market and as such, it should be held to the highest standard. While it does a very good job, there is a failing of transparency in some elements of the IESO's governance and management of the market. In this role the IESO has an obligation to promote its transparency, and communicate and engage on the issues. There is a need for co-ordinated, simple and clear communications.
- There are potential opportunities to be explored for consumers to participate in capacity markets.

- Some of the barriers to efficiency opportunities are institutional, maybe legal and therefore political, not fundamentally financial, economic or physical. The IESO is positioned to be the impartial facilitator for efficiency raising innovations in the IESO-administered market by developing them or allowing them to happen in the market more broadly.

Mr. Todd Wilcox (representing Conveyors)

- Surveys indicate that customers do not want to pay more for electricity; whether for better reliability or for greener electricity. Consumers want to be able to control their costs. Let's work to engage and educate them about that.
- A discussion is needed about the future of the MDM/R, including it's costs, whether it is affordable and what the alternatives are.

Mr. Bruce Campbell and Mr. Leonard advised that the IESO is grateful for the active and keen interest of its stakeholders, which benefits both the IESO and the sector as a whole.

Agenda Item No 4: Oklahoma Gas & Electric Energy Corp. – Dynamic Pricing Program (Angela Nichols, Director, Marketing, OG&E)

Mr. Wilcox introduced Ms. Angela Nichols from Oklahoma Gas & Electric Energy Corp. (OG&E) who spoke about her organization's demand response programs.

Ms. Nichols referenced her presentation (<http://www.ieso.ca/Documents/consult/sac/sac-20140326-OGE-Presentation.pdf>). She advised that the driver, in part, behind the demand response program was the vertically integrated utility's decision to not build any more fossil-fuelled generation until at least 2020. The goal of OG&E's demand response program was a demand reduction of 223 MW over three years, with 20 per cent of its customers participating in the program. The goals also included continued high customer satisfaction marks and sustained engagement.

In her presentation, Ms. Nichols outlined OG&E's guiding principles and the roadmap from pilot to deployment of their program. She also noted that the *SmartHours* program officially launched for both residential and small business consumers in 2012 offering variable peak pricing and programmable thermostats as well as web portal information. The program runs from June 1 to September 30, annually.

Ms. Nichols advised that the key to engaging customers is to tell them what's in it for them. They recognized that saving money and maintaining control is most important to their customers. OG&E developed an online tool *myOGEpower* which shows hourly usage and cost as well as neighbourhood comparisons. The tool allows customers to compare rates to see how much they can save on the *Smart Hours* program compared to not being in the program. They also used instructional and customer testimonial videos. As well, they eliminated the risk by

offering a Best Bill Guarantee for the first year, which less than one per cent of customers took advantage of.

She noted that almost 97,000 customers are enrolled in the *SmartHours* program with a target of 120,000 customers. Through a variety of tools, Ms. Nichols highlighted the importance of education customers in her presentation. Among the many tools was a handout entitled The *SmartHours* Price Plan [<http://ieso.ca/Documents/consult/sac/sac-20140326-2014-SmartHours-OK-Residential-Flyer.pdf>]. After the first year, the finding was that customers saved on average \$200 and 99% of customers remained in the program.

OG&E found that they had to educate customers about the benefits of shifting usage from the 2 pm to 7 pm peak period. Once enrolled, customers must be engaged year over year through confirmations, ongoing and seasonal engagements, daily pricing through social media, printed reports each month. Ms. Nichols indicated that it is a continuous learning process and they would like to be more targeted in order to be more effective.

Ms. Nichols referred to the report Voices of Experience at www.smartgrid.gov/voices which highlights what utilities have learned through their smart grid programs.

In response to questions from the floor, Ms. Nichols advised that she will look at how OG&E has assessed consumer response in the program against the utility's demand peak demand. She also indicated that participation in the program represented a variety of age and income demographics.

When asked from what they would do differently, Ms. Nichols responded that a more targeted engagement, as well as an application for users to control thermostat remotely would have increased participation. An app is currently being piloted by members of the program.

Asked if OG&E needed regulatory approval, Ms. Nichols responded that they had received a grant from Department of Energy for the pilot and development of *myOGEpower* and that helped with the approvals. The regulator looks to ensure that all customers can benefit. That is one of the reasons the website information was an option available to all consumers. She advised that savings to customers come from reduced fuel costs. There currently is a target but no cap on participation as they have not yet looked at what would be an optimal amount.

Mr. Wilcox thanked Ms. Nichols for an excellent presentation.

Agenda Item No 5: Market Development Planning Project (Candice Trickey/Brian Rivard)

Ms. Candice Trickey indicated the intent of the market development planning initiative is to provide an overview of where the IESO is going with its market development initiatives, both planned and underway, and more importantly to allow for stakeholder input as to where to focus market development efforts next. (<http://www.ieso.ca/Documents/consult/sac/sac-20140326-Market-Development-Planning-Project.pdf>)

Ms. Trickey advised that the IESO's overall objective is to continually improve the market in line with the guiding principles. The planning builds on the Electricity Market Forum recommendations. Since that time, the IESO has done a number of studies and it is now time to move from the studies and assessments to the action phase.

Ms. Trickey also indicated that the IESO acknowledges initial feedback heard from stakeholders and respects that contracts have an impact on the way stakeholders operate and interplay with the market and the rules. The IESO will ensure that the scope of any cost benefit analysis will consider the interplay between existing contracts and any proposed changes to market rules or design. The IESO will seek feedback from contract holders and all affected stakeholders about the impact of proposed changes.

She further explained that the IESO's approach to market development planning is to identify and communicate initiatives and timelines, get input on them and their relative priority to stakeholders, and then get more input on next steps. The market development plan will be revisited annually to allow stakeholders to provide input on changes to priorities, scope and timing.

Mr. Brian Rivard indicated that today's presentation is an introduction to what the IESO will be speaking to stakeholders about in the coming months. He outlined three elements of the objective of the market development plan: maintain reliability in a way that is cost effective, encourages and promotes innovation and enables informed decisions by stakeholders. This objective is consistent with the IESO's corporate vision and objectives.

In his presentation, Mr. Rivard referenced the guiding principles and framework to assess the plan's focus areas. He also referred to a matrix that identified at a high level basic system needs of real-time balancing, real-time operations planning and resource adequacy, and the current mechanisms used to meet those needs – and indicating the questions that needed to be asked: How can we do it better? Can we maintain our current level of reliability more cost- effectively while at the same time opening up opportunities for innovation?

He then referenced a number of studies that were launched by the IESO out of the recommendations of the Electricity Market Forum as well as other initiatives underway that may influence the choice focus area and timelines and noted three possible focus areas that are aligned with the guiding principles:

- identify and reduce barriers preventing demand response and storage from competing to meet system needs;
- improve efficiency and transparency of the real-time price signals for meeting operations planning needs; and
- expand use of competitive, market-based solutions for meeting operations planning and resource adequacy needs.

He indicated that these are the focus areas that the IESO will be seeking input on from stakeholders.

Mr. Rivard referred to a timeline of initiatives, both current and planned, categorized by study, design, and implementation stages.

Ms. Trickey indicated that the next step is to speak to individual groups for input, to help identify any gaps and other dependencies, to explore with them if whether the focus areas align with their needs and priorities. The IESO is interested in input as to what those individual groups should be or ways to reach out to other interested stakeholders.

The market development plan will also take stakeholder priorities heard today into consideration as they provide insights as to what the focus areas could be.

Mr. Wilcox indicated that IESO's role in education seems to be missing from the market development plan. Ms. Trickey indicated that while it is not specifically part of the market development, the Market development plan does not cover the full breadth of what IESO will do to educate stakeholders.

Mr. White would like to see an integrated communications strategy as part of the market development plan and noted that it is important to engage the right stakeholders to make right technical choices but the sector needs to consider how best to communicate to the broader stakeholder audience.

Mr. Butters asked how the market development initiatives and market systems refresh might work together in terms of timing and opportunities.

Mr. Rivard responded that input about key opportunities from stakeholders will help design a better Request for Proposal process and better inform software development.

Mr. Burkom indicated that he is supportive of the approach and advised that it is important to stick to the principles, however the IESO should not focus on low prices, but focus instead on low system costs which can lead to lower rates. The IESO should define the products that the system needs and be inclusive in its stakeholding.

Comment from the audience: Looking at the reviews and stakeholder engagements that have been conducted, it was stated that not that many participants were engaged with those studies therefore there were not that many submissions. For sectors and stakeholders to give the meaningful feedback on issues that will have broad impacts and make major changes to the market, the IESO should consider potentially hard deadlines to create a sense of urgency in order to focus stakeholders on the issues. The IESO should decide when it really needs the feedback to make decisions and work that into its plan.

Agenda Item No 6: IESO Website and Open Data (Martine Holmsen)

Ms. Martine Holmsen, referenced her presentation (<http://ieso.ca/Documents/consult/sac/sac-20140326-New-IESO-Website-and-Open-Data.pdf>) and advised that the IESO launched its newly redesigned website in early February, 2014. In doing so, the IESO was able to fulfill its objectives of making information more accessible by streamlining content, improving navigation, and introducing enhanced charting features. An online guide and webinar helped to guide users through the changes.

The IESO had been asked previously if it was possible to identify visitors to the website in order to understand if the site is meeting specific stakeholder needs. Ms. Holmsen advised that, based on IP addresses, it seems that the majority of visitors are residential, general business and smaller market participants. She advised that the most popular pages are the data pages. And specifically, the data directory page, which lists the most popular reports with a brief description and a link to the report, has been well received.

The launch also presented opportunities for users to make suggestions for other information that they would like to see which led to improving transparency about the global adjustment. The IESO is now working to include the real-time top ten peak tracker in the Power Data section by summer. Ms. Holmsen advised that the IESO will continue to look for opportunities to make improvements.

Ms. Holmsen also advised that the mobile site which was not ready to launch at same time as the main site due to some software issues should be able to launch in the coming weeks. She further advised that progress is being made on technical issues encountered at launch such as broken links and slow loading time.

With the Ontario government's move to providing more transparency around data in support of the *Long-Term Energy Plan*, the IESO worked with other agencies, including the Ministry, OPA and OEB to provide a list of data to provide a centralized online presence for timely and easy access to available energy information. This information is available on the Ministry and OPA websites, as well as a link from the IESO's website.

The next step is for the agencies to explore what additional data sets can be developed. There are a number of data sets that the other agencies have identified and will be working on. New data sets under development by the IESO include historical output by generator and fuel type, wind dispatch, nuclear manoeuvres and shutdowns.

Ms. Holmsen advised that the IESO is establishing a Market Information Working Group that will look at how IESO is using data, how the data can be made more valuable, and provide input to new and changing reports that the IESO develops. The hope is that this stakeholder group will contribute to the momentum of open data.

The IESO will be seeking input from stakeholders in order to better understand how data is being used and how it can be leveraged to support more engaged consumers. For example, should the IESO develop a user's guide to provide context for the data.

Ms. Serafini referred to an earlier point about advocating for and clarifying information about natural gas prices and whether there is a role for the IESO.

Agenda Item No 7: Other Business

There was no other business arising.

Agenda Item No 8: Wrap up

Mr. Wilcox thanked everyone for their participation. The meeting was adjourned at 12:20.