

Stakeholder Engagement Plan - SE7

2006 Day-Ahead Commitment Processes

Design and Implementation



1. Introduction and Background

Events in 2005 have underscored the challenges in providing a reliable supply of electricity in Ontario over the next few years. The tight demand/supply conditions during 2005 have resulted in 12 days of public appeals, three separate occasions when the IESO implemented five percent voltage reductions, and numerous other occasions where emergency control actions were taken to preserve the reliability of the power system. Given that this is not a sustainable situation, the IESO intends to identify, design, and implement measures to enhance the reliability of the power system in advance of the summer of 2006.

There are a number of specific issues that need to be addressed in increasing reliability in the short term. This document provides the plan for one of the initiatives, the day-ahead commitment processes, design, and implementation including:

- The need to allow imports to be scheduled day-ahead in order to address chronic transaction failures near real time that leave insufficient time to respond reliably; and,
- The need to commit generation units day ahead to increase reliability in the operational time frame.

The design of the day-ahead commitment processes will take into consideration the following context:

- The need to design and implement these measures with a view to minimizing costs and changes to market participant business processes and systems;
- The need to design and implement these measures with consideration to the impacts on market clearing prices and uplift; and
- The need to design and implement these measures by the summer of 2006.

2. Stakeholders

Electricity reliability is of interest to all stakeholder sectors, although “transactional” stakeholders (Ontario Generators, Dispatchable Load Customers, and Traders) will be directly affected by the implementation of the measures. Other stakeholders will likely be impacted as a result of pricing and uplift charges.

3. Stakeholder Engagement Plan Overview

The stakeholder engagement plan will consist of two interrelated phases to support both the design and implementation phases of the initiative. The design phase will involve soliciting stakeholder input on the development of the day-ahead commitment processes design. Upon finalization and approval of the design, stakeholder input will be solicited on its implementation.

3.1 Design Phase: 2006 Day-Ahead Commitment Processes Stakeholder Engagement Plan

Goal

1. To provide stakeholders with the opportunity to provide advice on the design of day-ahead reliability measures prior to their approval and implementation in 2006.

Objectives

1. To provide all potentially affected stakeholders with the opportunity to:
 - Review and provide input on the design to enable imports of electricity to be committed day-ahead.
 - Review and provide input on the design to enable the commitment of generators and dispatchable loads day-ahead.
2. To provide a representative group of directly affected and interested stakeholders (generators, dispatchable load customers, and traders) with the opportunity to:
 - Review and provide detailed input on the design to enable imports of electricity to be committed day-ahead.
 - Review and provide detailed input on the design to enable the commitment of generators and dispatchable loads day-ahead.
3. To provide all potentially affected stakeholders with the opportunity to review and provide input on a final draft design for day-ahead import and generation commitment prior to its finalization.

Stakeholder Engagement Approach and Methods

The stakeholder engagement approach for the design phase will be stakeholder consultation—seeking stakeholder input throughout the IESO decision making process involving continuous two-way face to face dialogue. The implementation of the stakeholder engagement process will be in accordance with the IESO’s approved stakeholder engagement principles.

The stakeholder engagement methods to be employed will be a combination of Workshops open to all stakeholders, the formation of a Working Group consisting of representatives from each directly affected sector, Web-Based Postings with the opportunity for comment, and the Stakeholder Advisory Committee to the Board and Executive.

Open Stakeholder Workshops

Open Stakeholder Workshops will provide the opportunity for all interested stakeholders to be kept up to date on the process and to review and provide input on the day-ahead commitment design at key stages of the IESO’s decision making process.

Representative Stakeholder Working Group

The formation of a representative Stakeholder Working Group will provide the opportunity for directly affected sectors to provide more detailed working level input into the design of the measures in an efficient and timely manner. It is proposed that the Working Group consists of approximately two-three representatives from each directly affected sector (generators, dispatchable load customers, and traders) and the IESO will seek participants from each of these sectors. Criteria to be used in seeking participants will include overall knowledge of the market, ability to assess impacts of the initiative on their sector, and prior experience/involvement in market design initiatives.

A Terms of Reference for the Working Group will be prepared for review in advance of its first meeting to ensure mutual understanding of objectives and process. Working Group meeting agendas and documentation from the meetings will be made public through the IESO web site. At a minimum, key day-ahead design features to be considered by the Working Group will include:

- The commitment processes;
- Data submission;
- Reliability guarantees; and,
- Compliance.

Web-Based Postings

Web-based postings provide all affected stakeholders with a lower cost alternative to keep up to date with the process and to provide input as desired.

Stakeholder Advisory Committee to the Board and Executive

Upon completing the working level stakeholder engagement activities, the Stakeholder Advisory Committee will be asked to review and consider the proposed Day-Ahead Commitment Processes Design, providing all stakeholder sectors with the opportunity to communicate their views and positions directly to the IESO Board of Directors in advance of any final approvals.

Decision Making Steps and Schedule of Activities

Stakeholder Engagement Schedule: 2006 Day-Ahead Commitment Processes	
Activity	Target Date
1. Draft “2006 Day-Ahead Commitment Processes Design” posted for stakeholder review in preparation for the October 6 stakeholder workshop.	September 30
2. Open Stakeholder Workshop to gather initial input on the draft “2006 Day-Ahead Commitment Processes Design”.	October 6
3. Formation of Representative Stakeholder Working Group for detailed review of “Draft Day-Ahead Commitment Processes Design”	Early October
4. Stakeholder Working Group “Draft 2006 Day-Ahead Commitment Processes Design” review and input process (6 -10 full day facilitated working sessions).	October through November
5. Draft “2006 Day-Ahead Commitment Processes Design” including Stakeholder Working Group input posted on the web for stakeholder review in preparation for the November 16 stakeholder workshop.	November 9
6. Open Stakeholder Workshop to gather input on the draft “2006 Day-Ahead Commitment Processes Design”.	November 16

Stakeholder Engagement Schedule: 2006 Day-Ahead Commitment Processes	
Activity	Target Date
7. Proposed “2006 Day-Ahead Commitment Processes Design” including stakeholder input provided to the Stakeholder Advisory Committee for review in preparation for the late November/early December meeting.	November 18
8. Stakeholder Advisory Committee Meeting to gather input and advice for the IESO Board of Directors on the proposed “2006 Day-Ahead Commitment Processes Design”.	Late November/ Early December
9. Technical panel meeting to review proposed market rule amendments needed to implement the proposed design.	November 29
10. Proposed “2006 Day-Ahead Commitment Processes Design” provided to the IESO Board of Directors including Advisory Committee advice and any written stakeholder comments received.	December
11. IESO Board of Directors meeting seeking endorsement to proceed with implementation of the proposed “2006 Day-Ahead Commitment Processes”.	To be established
12. Technical Panel meeting to recommend market rule amendments needed to implement the approved design.	December 13
13. IESO Board of Directors’ consideration of Technical Panel recommendations on market rule amendments.	Early February

Process Evaluation

Stakeholders will be provided the opportunity to provide feedback on the effectiveness of the process in achieving stated objectives following each key stakeholder engagement event (e.g., Workshops, the Working Group process, etc.).

3.2 Implementation Phase: 2006 Day-Ahead Commitment Processes Stakeholder Engagement Plan

Goal

1. To provide all potentially affected stakeholders with the opportunity to provide input on the implementation of 2006 Day-Ahead Commitment Processes in order to identify and minimize any adverse impacts on their operations and businesses.

Objectives

1. To provide affected stakeholders with the opportunity to identify any issues with respect to the implementation of day-ahead commitment processes in order to attempt to minimize any adverse impacts on their operations.
2. To provide affected stakeholders with the opportunity to review and provide feedback on potential solutions to address implementation issues prior to their finalization.

3. To provide stakeholders with the opportunity to review and provide input into schedules to support testing and activation.

Stakeholder Engagement Approach and Methods

The stakeholder engagement approach for implementing day-ahead commitment processes will be a stakeholder consultation approach and will seek stakeholder input throughout the decision making process involving continuous two-way face to face dialogue.

The stakeholder engagement methods to be employed will include a combination of existing IESO stakeholder engagement mechanisms including the Market Operations Standing Committee, the Information Technology Standing Committee, and Web-based postings with the opportunity for comment.

Implementation Phase Schedule

The implementation phase stakeholder engagement program will commence upon approval of the day-ahead commitment.