
IESO Stakeholder Engagement Review

Summary Report

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Agenda

- Project Objectives and Research Focus
- Research Overview
- Top Line Summary of IESO Stakeholder Engagement (SE) Review
- Review Results (a bit more detail)
- Strategic Considerations

Project Objectives

- In August 2007, Decision Partners was asked to support IESO by reviewing its existing stakeholder engagement principles and process as part of IESO's ongoing commitment to effective and open dialogue with its stakeholders.
- The primary objective of this review was to determine whether the current principles, process and practices can be improved or enhanced to further the effectiveness of the IESO's stakeholder activities in obtaining substantive input and advice to facilitate timely decision making.

Research Focus

- Decision Partners conducted research with stakeholders to better understand their values and objectives as well as the in-depth influences on their judgment of:
 - Quality of IESO stakeholder engagement.
 - Degree of alignment of IESO's stakeholder engagement efforts with stakeholder values & objectives.
 - Quality of IESO decision making.
 - Credibility of IESO.

Research Overview

- **Internal:** conducted in-depth interviews with approximately 10 Internal IESO staff to learn IESO thinking on the role of stakeholder engagement in IESO decision making and key opportunities for improvement.
- **External Interviews:** conducted in-depth interviews with 7 IESO stakeholders, by phone between November 9 and November 22, 2007. The sample provided by IESO comprised:
 - Key constituencies: Generators (3), Distributors (1), Major Consumers (1), Consumer (1) and Marketer/Retailer (1).
 - Active participants in stakeholder initiatives: SAC, Technical Panel, Working Groups/Subcommittees and Market Manual & Evolution.
- **External Web Survey:** conducted a mental models-based web survey between November 30 – December 11, 2007.
 - IESO invited 350 stakeholders to participate; 60 completed the survey.

Web Survey

Respondent Sample Composition

Stakeholder Constituent	N
Generator	19
Distributor	8
Transmitter	4
Marketer/Trader/Retailer	6
Wholesale Market Participant Consumer	8
Non-Market Participant Consumer	4
Government/Regulator	1
NGO or ENGO	0
Other	9
N = 59 (1 Respondent did not answer)	

Top Line Summary of IESO SE Review

- Quality of Stakeholder Engagement
- Degree of Alignment of IESO's SE Efforts with Stakeholder Values & Objectives
- Quality of IESO Decision making
- Credibility of IESO

Top Line Summary

Quality of Stakeholder Engagement

- Stakeholders generally believed that the overall quality of the IESO stakeholder engagement was of “excellent” or “good” quality.
- Stakeholders indicated that IESO’s stakeholder engagement efforts are thoughtful, well engineered and thorough. In many cases, though, they are onerous for both IESO and stakeholders.
- **Key Opportunity 1:** Sharpen stakeholder engagement (SE) process to enable more efficient participation by stakeholders. Increase efficiency of SE process through prioritization of issues, more streamlined processes and more timely and concise preparatory materials.

Top Line Summary

Degree of Alignment of IESO SE with Stakeholder Values & Objectives

- Stakeholders generally believed that the input from SE is of high quality and, for the most part, aligned with their values and objectives.
- Concern was expressed about the balance and adequate representation of all stakeholders' views.
- **Key Opportunity 2:** Enable more balanced participation among stakeholders by reaching out to under-represented stakeholders, increasing the efficiency of SE processes, to alleviate need for time and budgetary resources and improve meeting facilitation to enable more balanced communications.

Top Line Summary

Quality of IESO Decision Making

- Stakeholders generally believed that IESO provides an “excellent” or “good” opportunity to provide input into IESO decision making.
- They are less confident about the degree of influence their input has on IESO decision making.
- **Key Opportunity 3:** Clearly define roles and responsibilities of IESO and stakeholders through stakeholder engagement. Clearly articulate what input is needed from stakeholders and why, at each step of the process.
- **Key Opportunity 4:** Increase the transparency of how stakeholder input is used in IESO’s decision making.
 - Clearly and proactively articulate how and when stakeholder input will be considered by IESO decision makers, and when final decisions by IESO will be made.
 - Provide timely feedback to stakeholders, articulating what the stakeholder input was and how it was considered in the process.

Top Line Summary

Credibility of IESO

- Stakeholder judgments about IESO SE are intricately tied to their judgments on the quality of IESO SE processes, their perception of IESO staff's respect of stakeholders, and IESO's integrity in making quality decisions that are aligned with stakeholders' priorities and objectives.
 - They understand that IESO staff face complex decisions.
 - They recognize that outcomes of IESO decisions cannot always be aligned with stakeholders' particular objectives.
 - However, they want the opportunity for their perspectives to be heard and considered.
- **Key Opportunity 5:** Actively listen and thoughtfully consider what is important to stakeholders, the constraints they face, and how IESO decisions will affect them.

Review Results

- Stakeholders' Overall Judgments on SE
- Identification of Opportunities for Improvement
- Evaluations of Processes and Principles
- Identification of Key Challenges

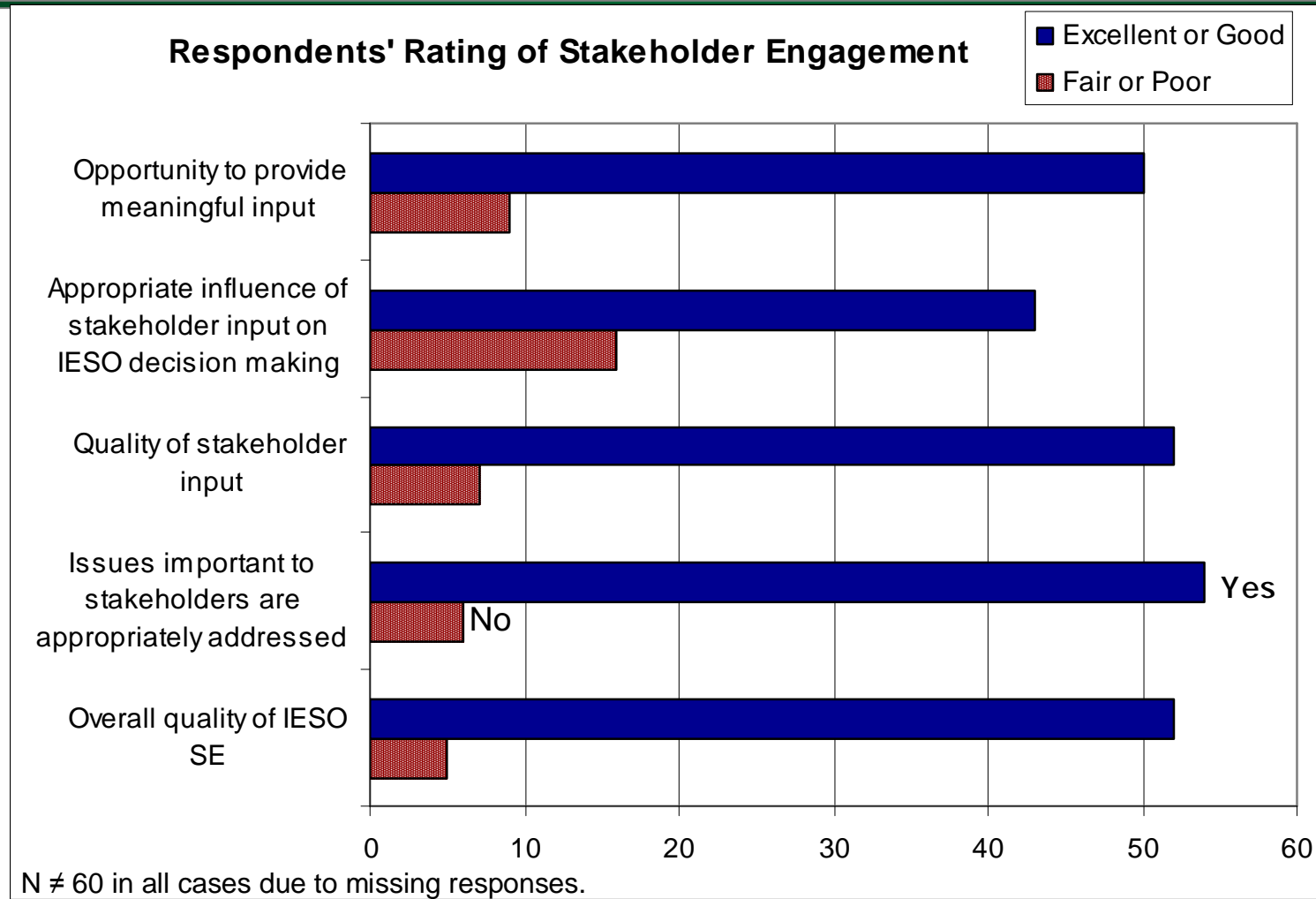
Review Results

Overall Judgments on SE

- In general, the stakeholders who took part in this review saw value in stakeholder engagement and personally saw value in their involvement in contributing to IESO decisions.
- Web Respondents were asked to think about the IESO stakeholder initiative(s) that they have been involved with, and to rate the following:
 - The opportunity to provide meaningful input.
 - Whether issues important to IESO stakeholders are appropriately addressed through IESO SE.
 - The quality of the stakeholder input.
 - Whether there is an appropriate influence of stakeholder input on IESO's decision making.
 - The overall quality of IESO SE.
- Their responses are summarized on the next slide.

Review Results - Web Survey

Overall Judgments on SE



Review Results

Key Opportunities for Improvement

- In general, most stakeholders believed that IESO stakeholder engagement processes are well-designed.
- However, several challenges were identified as barriers to providing meaningful input to IESO decision making:
 - Lack of clarity regarding respective roles of IESO and stakeholders as advisors and/or decision makers in various SE processes.
 - IESO SE processes described at times as “frustrating,” “overwhelming,” “top down,” “cumbersome” and “inconsistent.”
 - Both Interviewees and Survey Respondents expressed concern about degree to which stakeholder input influences IESO decision making.
 - Stakeholders commented on a lack of “integrity” and leadership by IESO, “underlying agendas,” “pre-determined decisions,” undetermined processes” and “lack of trust.”

Review Results

Opportunities for Improvement *continued*

- Stakeholders believed that the opportunity exists to provide input, but there was some concern expressed about the degree to which this input influences IESO decision making.
 - Stakeholders attribute this, in large part, to a lack of transparency about how input is used in decision making. This was a key concern expressed by both Interviewees and Survey Respondents.
 - Some attributed this to apparent “pre-determined decisions” and pressure on IESO by some stakeholders, government or other pressures, which diminish the degree of influence from stakeholder input.
- Stakeholders also expressed concern that stakeholder engagement, at times, seems driven by the IESO staff and not the stakeholders.
 - They noted that issues presented to stakeholders for input are chosen by IESO and not by what is important to stakeholders.
 - Stakeholders stressed the importance of having “a voice” into the issues that matter most to them.

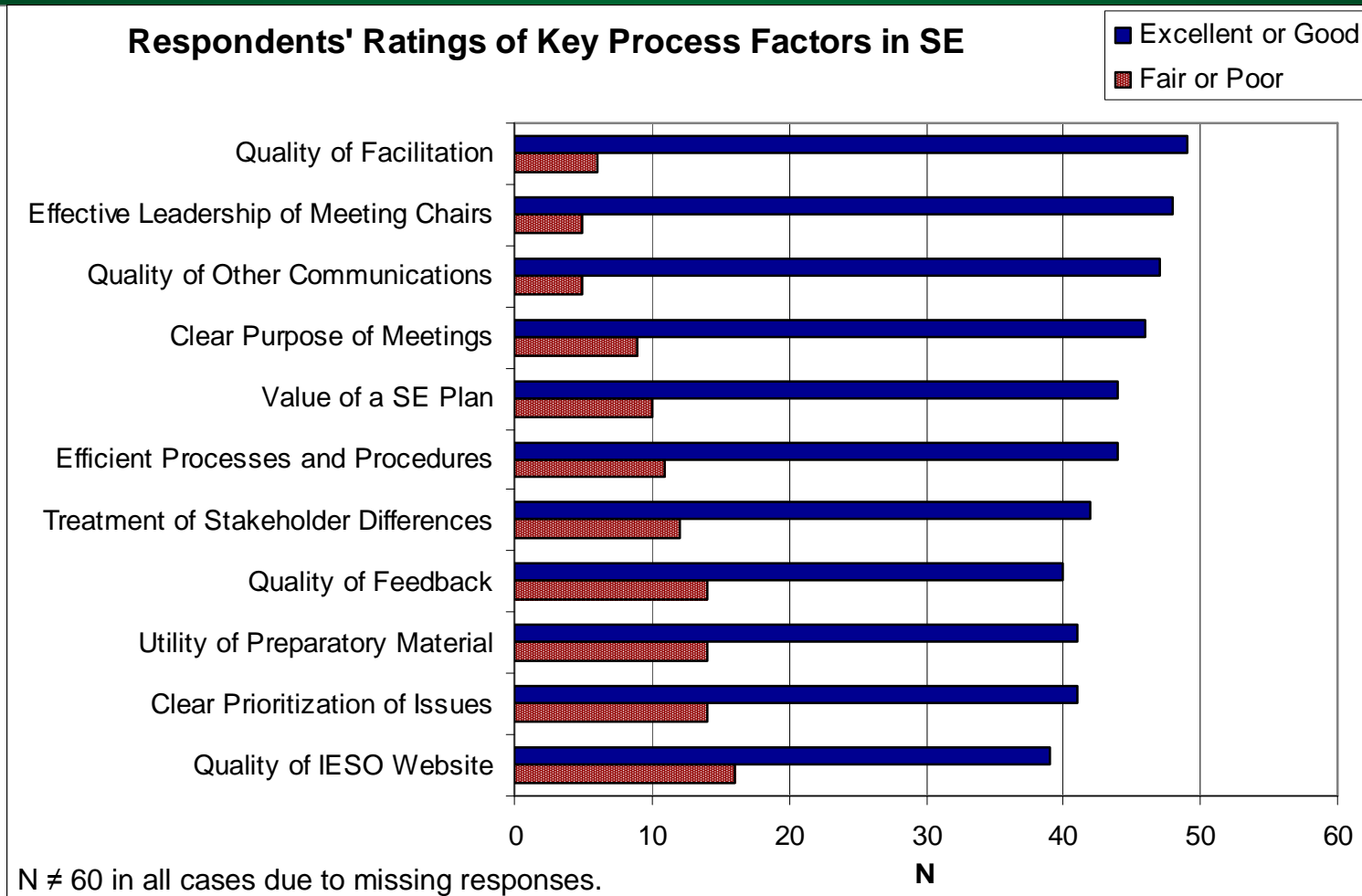
Review Results- Web Survey

Evaluation of IESO Processes

- Survey Respondents were asked to rate the quality of a number of process factors of IESO's stakeholder engagement.
 - Quality of facilitation
 - Value of the Stakeholder Engagement Plan
 - Effectiveness of Meeting Chairs
 - Clear purpose of meetings
 - Etc.
- Their responses are summarized on the next slide.
 - They are ranked in descending order of “excellent” or “good” ratings.
 - We checked to see whether the “fair” or “poor” ratings were provided consistently by one or few individuals, but found this was not the case.

Review Results - Web Survey

Ratings of Key Process Factors



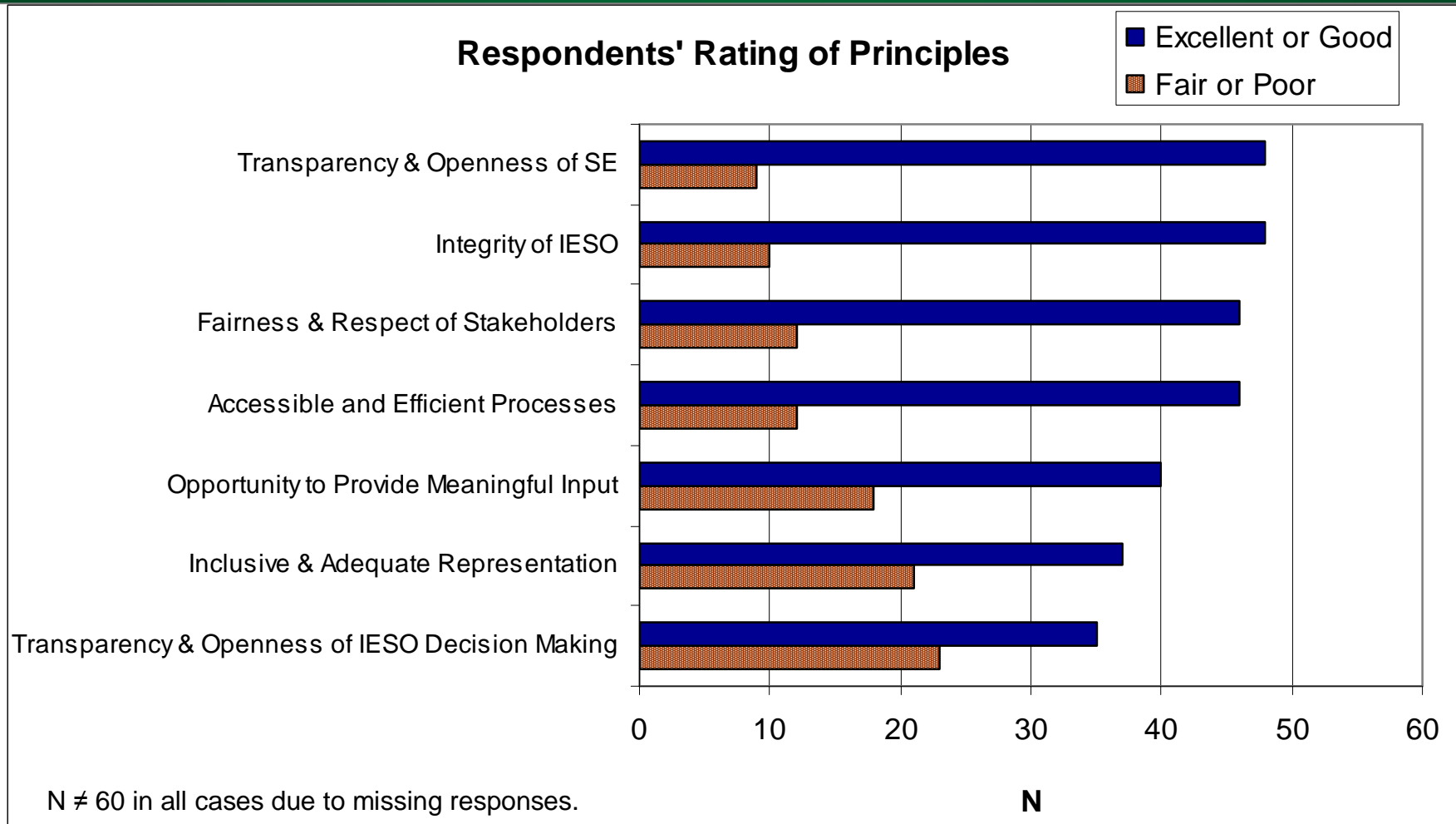
Review Results - Web Survey

Evaluation of IESO Principles

- Survey Respondents were asked to rate the IESO's effectiveness at realizing the following principles in stakeholder engagement:
 - Integrity of IESO with respect to stakeholder engagement.
 - Opportunities for meaningful dialogue and input into IESO decision making; that is, input that appropriately influences IESO decision making.
 - Transparency and openness of IESO stakeholder engagement.
 - Transparency and openness of IESO decision making more generally.
 - Inclusive and adequate representation of all stakeholders.
 - Accessible and efficient stakeholder engagement.
 - Fairness in treatment and respect of stakeholders.
- This list of principles was generated in consultation with IESO and based on the published list of IESO SE principles.
 - “Integrity” was added based on insight from the in-depth interviews.

Review Results - Web Survey

Ratings of Key Principles



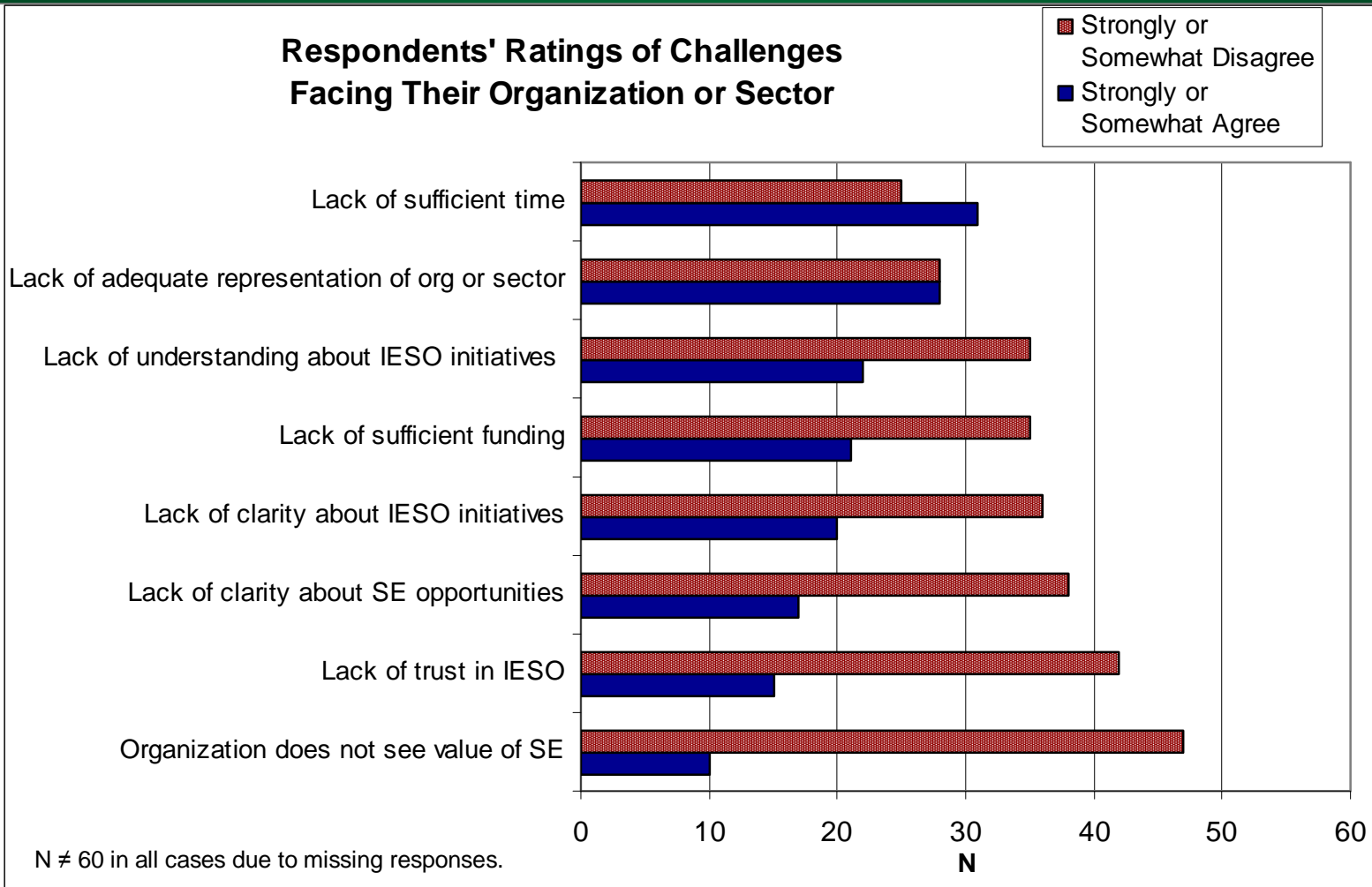
Review Results - Web Survey

Key Challenges

- Stakeholders recognized the important role they play in stakeholder engagement and the need for their full commitment and participation.
- Survey Respondents were asked to think about the challenges they face as stakeholders in providing meaningful input to IESO, and indicate if they agree or disagree with a number of statements:
 - e.g. There is a lack of sufficient time for my organization to fully participate in stakeholder engagement.
- Their responses are summarized in the chart on the next slide.
 - They are ranked in descending order of “Strongly or Somewhat Agree” ratings.

Review Results - Web Survey

Key Challenges

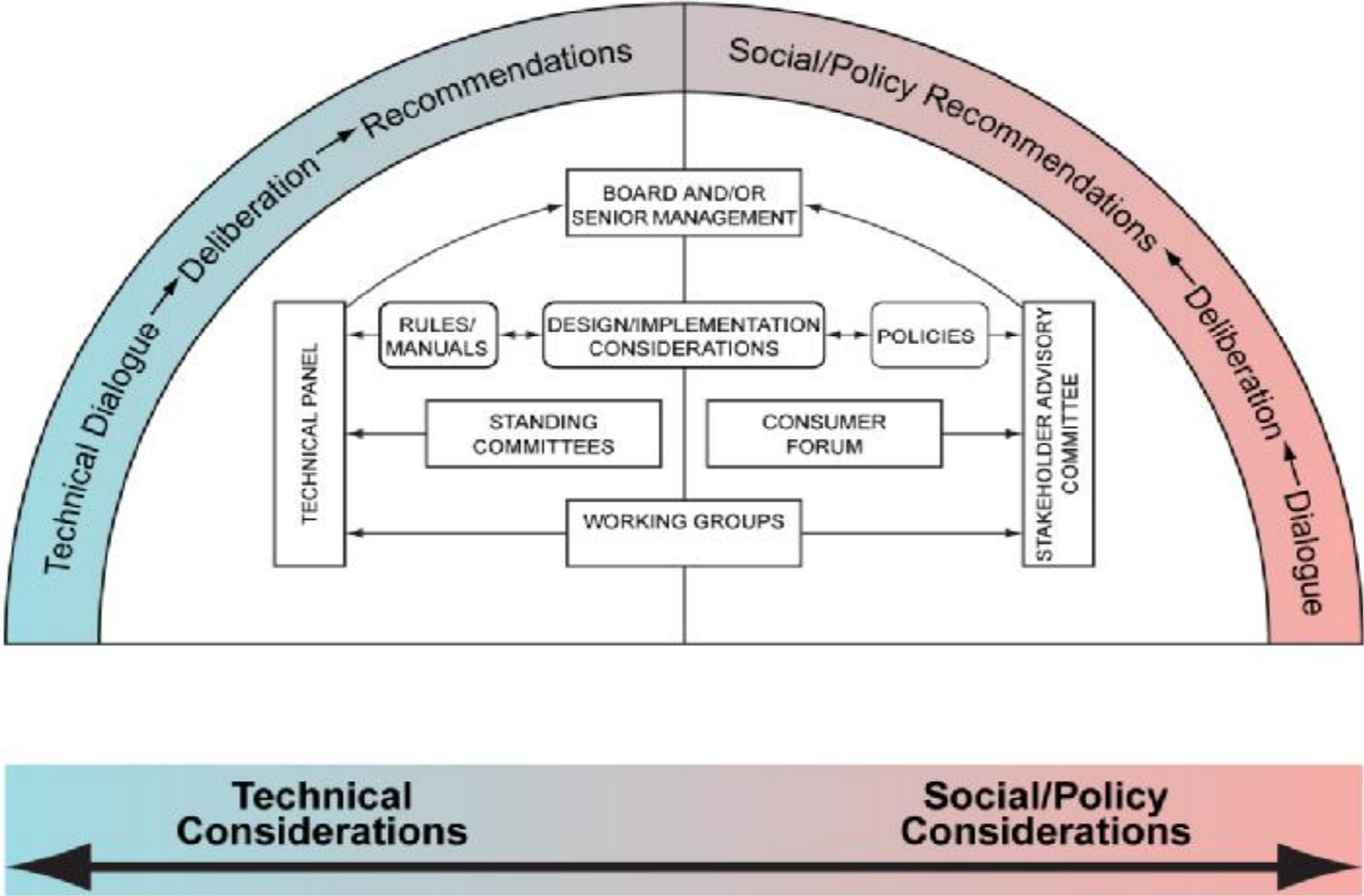


Strategic Considerations

Improvement Opportunity

- The Stakeholder Engagement Review showed that:
 - In broad terms, the architecture of IESO's stakeholder engagement efforts seemed appropriate and sound to stakeholders.
 - In many cases, however, stakeholder engagement processes are onerous for IESO and stakeholders alike.
- **Opportunity:** Streamline the stakeholder engagement architecture, while sharpening the effectiveness of engagement processes and communications in each component.
- Realizing these opportunities will represent significant value for the IESO in terms of:
 - Increasing efficiency and overall effectiveness in consultation and decision making.
 - Achieving shared understanding among IESO professionals and stakeholders, leading to improved relationships.
 - Improving credibility of IESO leaders with key stakeholders.

Spectrum of IESO SE Initiatives



Key Recommendations

Clarify

- The Stakeholder Engagement Architecture – the Spectrum:
 - Shared understanding of the spectrum, along with the roles and responsibilities, appropriate methods and tools, in each segment, is critical to ongoing success in stakeholder engagement.
- Roles and Responsibilities:
 - There are different, but appropriate and transparent roles for IESO, and stakeholders, across the spectrum.
 - There is an opportunity to clarify respective roles both across the spectrum and within segments of the spectrum, in terms of dialogue, deliberation and decision making.
- Stakeholder Engagement Principles:
 - There is an opportunity to refine the principles to a more succinct set, along the lines of the principles discussed in the research.
 - We would also recommend adding “integrity” to the list, as it was raised by stakeholders as being very important.

Key Recommendations

Clarify... *continued*

- Priorities:
 - There is a need to come to a shared understanding of priorities across the spectrum of stakeholder engagement, and within each of the key segments.
- IESO Rules of Engagement to Ensure Quality Dialogue:
 - There is an opportunity to revise, refocus and make consistent, to the greatest degree possible, the Terms of Reference for stakeholder engagement across the spectrum.
- IESO Positions:
 - IESO should systematically share underlying assumptions and rationale for its perspectives and positions on topics, while encouraging stakeholders to do likewise. This is key to open dialogue and transparency, and fundamental to building and sustaining credibility.

Key Recommendations

Proposed Principles

- Integrity of IESO with respect to stakeholder engagement.
- Opportunities for meaningful dialogue and input into IESO decision making; that is, input that appropriately influences IESO decision making.
- Transparency and openness of IESO stakeholder engagement.
- Transparency and openness of IESO decision making more generally.
- Inclusive and adequate representation of all stakeholders.
- Accessible and efficient stakeholder engagement.
- Fairness in treatment and respect of stakeholders.

Key Recommendations

Respect Stakeholders

- Demonstrate respect for stakeholders' time, expertise and contribution, in part by improving efficiency, comprehensibility and consistency in communications.
 - Reduce the volume of communications.
 - Improve comprehensibility by providing lay level summaries.
 - Improve the timeliness and consistency in documentation across all stakeholder engagement initiatives.
- Improve the comprehensibility of communications to enable better quality participation and dialogue.

Key recommendations

Respect Stakeholders

- Systematically demonstrate how stakeholder input was used or not used in decision making, and why. Consistency across all stakeholder engagement initiatives is key.
- Orient new stakeholders to help them participate more effectively, and sooner, in consultation.
- Clarify funding available to stakeholders, and criteria for receiving funding.

Key Recommendations

Reach Out

- Regularly engage new stakeholders, or under-represented stakeholders, through formal outreach.
- Enable these stakeholders to participate in IESO stakeholder engagement initiatives to the degree that they feel they can make a meaningful contribution.

Realizing the Value Potential

Decision Partnersâ provides advanced behavioural decision research, strategy and communications services for understanding and focusing decision making, judgment and behaviour.

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