

# IESO Stakeholder Advisory Committee

TO: IESO BOARD OF DIRECTORS

DATE: February 12, 2009

FROM: STAKEHOLDER ADVISORY COMMITTEE

SUBJECT: **BRIEFING NOTE**

The purpose of this memorandum is to update the IESO Board of Directors on the highlights of the discussion from the February 4<sup>th</sup> Stakeholder Advisory Committee meeting. All members of the Stakeholder Advisory Committee were in attendance at the session with the exception of Mr. Brian Bentz, (representing Distributors), Ms. Ersilia Serafini (representing the Environmental sector) and Mr. Daniel Whyte (representing Generators). Mr. Paul McMillan (representing Marketers) attended via teleconference.

As well, IESO Board Members in attendance were:

Mr. James D. Hinds – Chair  
Mr. Dave Cassivi  
Mr. Robert Chiarelli  
Ms. Angela Ferrante  
Mr. Paul Murphy – President and CEO, IESO  
Mr. Rudy G. Riedl  
Mr. Howard Shearer  
Mr. John Wiersma

The agenda items at the meeting were information and did not require any specific input from the Committee to the Board. For this reason, as was discussed with Jim Hinds, we will not have a representative at the Board meeting.

## **Discussion Highlights: Senior Management Update**

### **Agenda Item No. 3: Senior Management Update – Bruce Campbell**

#### (a) **Enhanced Day Ahead Commitment**

Mr. Campbell noted that the document posted outlines the status of the work to date, pointing out that the IESO intends to take this item to the Audit Committee at its next meeting on February 11 for approval to proceed with the next phase of the project.

(b) Use of Cost Benefit Analysis Results in Decision Making

Mr. Campbell stated that an extensive discussion with Committee Members took place around the various kinds of tests that could be applied on the cost/benefit results.

(c) Priorities: IESO Studies of Market Design Changes

Mr. Campbell indicated the IESO has been undergoing a prioritizing exercise to make the best judgment in terms of using resources between keeping EDAC moving ahead and getting on to some other prioritized items.

Mr. Horrobin asked for an update on a stakeholder engagement plan on surplus baseload generation (SBG) and when a plan is expected to be rolled out. Mr. Campbell replied that this issue will be dealt within the context of SE-57 – embedded generation - due to the linkage between all renewables coming on line and the impact on surplus baseload generation. Mr. White added that he shared Mr. Horrobin's concerns.

Mr. Horrobin also expressed concern over SE-61 (Exploration of Enhancements to Dispatch Methodology and Processes) and the progress regarding some of the dispatch issues.

(d) More Efficient Uniform Pricing Initiative

Mr. Campbell noted that this issue has the potential to involve some policy choices around market design and whether the Stakeholder Advisory Committee should set up a small group to work with the IESO on a joint study around some of these issues. It was agreed that the IESO would produce a discussion paper outlining the problems then return to the Committee to determine the proper stakeholder engagement methods.

Mr. Horrobin added that Bruce Power would like to revisit the peak vs. average issue on a six month basis. Mr. Campbell responded that it could be put back on the agenda if the Committee felt it wanted to do so.

(e) Public Sector Readiness for Hourly Pricing on May 1, 2009

Mr. Campbell noted that the government requested in 2008 that the IESO undertake an outreach program around the change to market pricing on May 1, 2009. That effort has been very successful and awareness is up because of work with associations and trade groups.

David Collie noted that Terry Young and his group have done a tremendous job in reaching out to those communities. Mr. Collie was still concerned about the smaller communities and that some will not realize what is happening and there will be a barrage of questions.

Mr. Witjes also thanked the Susan Harrison and others from the IESO for their work on this initiative but noted that a number of smaller municipalities may not be aware of this and that we will need to work hard to get the message out to them.

(f) Supply and Capacity – 2008 Year Review and Outlook (Ken Kozlik)

Mr. Kozlik presented a review of the supply and capacity for 2008 and an outlook for the future.

A number of questions were asked by members and these have been captured in the minutes of the meeting.

**Agenda Item No. 4: Customer Survey Results & Recommendations**

The presenter, Will Stewart from Navigator was unable to make the meeting and the IESO responded to questions from members. Again, these have been captured in the meeting minutes.

One question of note was by Mr. Dorey who asked for the IESO to elaborate on the comment in the report that the market is seen as “non-existent”. The IESO replied that the report was conducted by Navigator and it was the IESO’s understanding that Navigator found that customers do not see a robust market in place in Ontario and there may be some frustration with that. Mr. White then asked where the report goes and would the Minister see this perception that the market is non-existent and the reply was that the report was for the IESO and is not provided to the government.

Mr. McMillan asked a question around the stakeholder process slide as it appeared negative. Mr. Campbell responded that the report indicated that this is could be due to residual feelings from before the process had been revised or there may not have been a lot of participation from people recently involved in the process.

**Agenda Item No. 5: Market Surveillance Panel Report (Neil Campbell)**

Mr. Campbell gave a presentation on the Market Surveillance Panel Report issues on Friday, January 30<sup>th</sup>.

A number of questions were asked by members and these have been captured in the minutes of the meeting.

**Agenda Item No. 6: Smart Grid Forum Report (Don Tench)**

Mr. Tench presented the Smart Grid Forum report which was released on Tuesday, February 3<sup>rd</sup>. Copies were available for all Committee members.

Mr. Dorey asked if the Forum would continue following the release of the report and Mr. Tench replied that the Forum would meet again to discuss potential future changes. He added that the Forum would maintain the momentum as investments are occurring in the province. Mr. Collie added that the Smart Grid consists of many components and that the Forum would monitor and facilitate the progression and advancement of Smart Grid technologies.

**Agenda Item No. 7: Other Business**

Committee members discussed the OPG rebate scheduled to end on April 30, 2009.

Comments from various members on the impacts of the rebate to their business can be found in the meeting minutes.

Mr. Anderson from OPG responded from the floor that in accordance with Order-in-Council, it is scheduled to end on April 30th, 2009.

**Wrap Up**

Mr. Witjes advised members the next meeting is scheduled for April 8, 2009, at the Toronto Congress Centre.

The meeting was adjourned.