

IESO Quarterly Stakeholder Engagement Update, August 2010



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Stakeholder Advisory Committee Highlights

In a meeting between IESO senior management and the Stakeholder Advisory Committee (SAC) on June 2, high level discussions took place on the strategies and initiatives the IESO proposed to include in the 2011-2013 Business Plan.

Following the June 2 meeting, the IESO produced a [Summary of IESO Strategy Discussion](#) with SAC, which asked for sector feedback on a number of questions related to the business plan.

The summary outlined IESO's Operations Strategy and Efficient Electricity Pricing Strategy which aims for economically efficient and environmentally-responsible outcomes in the market (e.g. improving price signals, coordinating market participants' actions, decrease complexity of grid operations and market rules and creating a more competitive market). These strategies have fed into several IESO proposed and committed initiatives.

Proposed:

- Renewables integration
- Market Road Map
- Energy Modeling
- Methods for managing Surplus Baseload Generation

Committed:

- Global Adjustment Allocation
- Alternative Technologies for Regulation
- Enhanced Day-Ahead Commitment
- Other projects to maintain IESO infrastructure and improve efficiency

These IESO strategies and initiatives incorporated the priorities SAC members presented at the March 31 meeting. These included:

1. Improving price signals
2. Evolving the electricity market to improve efficiency
3. Integrating renewable energy into the electricity system and market

Upcoming Events

August 25: [Stakeholder Advisory Committee](#)

August 26: [EDAC Project Advisory Group \(SE-73\)](#)

September 14: [Information Technology Standing Committee](#)

September 22: [Forecasts and Assessments Standing Committee](#)

September 23: [Wind Power Standing Committee](#)

September 29: [Reliability Standards Standing Committee](#)

October 26: [Stakeholder Advisory Committee](#)

October 27: [Inter-Jurisdictional Trading Standing Committee](#)

October 28: [Revenue Metering Standing Committee](#)

Refer to the [stakeholder engagement calendar](#) for additional dates.

4. Educating and engaging consumers
5. Resolving global adjustment issues
6. Addressing intertie issues
7. Advocating on behalf of customers with Ministry and other agencies to address issues and complexities outside of IESO control

Written feedback from the sectors on the strategy summary can be found at: http://www.ieso.ca/imoweb/consult/stakeholder_ac_meetings.asp.

A 2011 to 2013 IESO Business Plan will be reviewed with SAC at the August 25 meeting. The Business Plan will then be sent to the Minister of Energy and Infrastructure by October 1 and filed to the Ontario Energy Board by November 1.

Current and Planned Consultations

[Enhanced Day-Ahead Commitment \(SE-87 and SE-73\) Project Advisory Group](#)

The EDAC Project Advisory Group has been preparing for Market Trials scheduled for June 2011. Since the group's inception, members have been working towards the trials by reviewing the revised the Stakeholder Engagement Plan (SE-73) and associated Terms of Reference, scheduling the review of the Market Manual changes, the structure of new Day-Ahead Commitment Process (DACP) manuals, manuals for submitting registration, operational and market data, as well as manuals for real-time integration of the DACP.



The Enhanced Day-Ahead Commitment (EDAC) Project Advisory Group is a newly established group under the SE-73 plan. The group was formed to facilitate project updates to stakeholders during the I.T. Design and Build phase of the EDAC project and carry out internal acceptance testing. The group will be consulted on important market facing milestones that will occur in 2011 such as training, development of market manuals, ability testing and scheduling for both Market Trials and in-service.

[Embedded and Renewable Generation \(SE-57\)](#)

Continuing on the stakeholder discussions from the last quarter, a project plan is being developed to implement a centralized wind forecasting tool. Stakeholders expressed their willingness to participate in the forecasting trial and to be part of the forecasting solution. The IESO will engage stakeholders on pertinent elements of this plan as it develops.

Outcomes from Completed Consultations

[Prudential Review \(SE-88\)](#)

The IESO reviewed the prudential framework to manage credit risk to the IESO-administered markets and produced a preliminary prudential report for stakeholder comment. The report concluded the existing framework meets its objectives, and recommended that no changes be made the prudential framework at this time. Comments received from stakeholders were generally supportive of the report's recommendation. Comments received can be found at http://www.ieso.ca/imoweb/consult/consult_se88.asp.

The final report will be reviewed by the IESO Board at their September 10, 2010 meeting. The IESO undertook a comprehensive review of the prudential framework in 2007 (see [SE-23: Prudential Review](#)) which requires the prudential framework to be reviewed at least once every three years.

Update on Working Groups

[EDAC Settlements Design](#)

The Settlements Design working group, at their final meeting, reviewed the changes their group made to the EDAC Settlements Detailed Design document. The market rules process (resulting from the Detailed Design changes) is expected to begin in October and will be stakeholdered through the Project Advisory Group.

EDAC Project
Advisory Group

EDAC
I.T. Build Phase

Dispatchable
Loads

Update on Standing Committees

[Reliability Standards](#)

The Reliability Standards Standing Committee has been discussing the IESO's Reliability Compliance Portal. The Reliability Compliance Portal will be used for issuing requests to market participants to self-certify compliance with North American Electric Reliability Corporation (NERC) reliability standards and Northeast Power Coordinating Council (NPCC) reliability criteria and for receiving their responses.

The IESO received feedback from stakeholders regarding the Compliance Portal design and implementation. Among the suggestions, stakeholders advised that the IESO consider retaining the conventional e-mail compliance form to facilitate market participant internal approvals processes. The IESO will also review the possibility of stakeholder consultation during the development of the compliance form in the Portal. There was considerable interest in this new development and members were keen on participating in training sessions on the Portal. The training sessions will be announced at a later date.

[Inter-Jurisdictional Trading](#)

The Inter-Jurisdictional Trading Standing Committee, at a recent committee meeting, had extensive discussions surrounding a number of items including publishing Area Control Error (ACE) values and the market rule amendment proposal to limit constrained-on CMSC payments for exporters and dispatchable loads with negative offers (MR-00370).

Participants expressed that publishing ACE values is a good market signal of real-time market conditions. The IESO agreed to add a trial for publishing ACE values to the IJT initiatives list.

Many members questioned the analysis completed by the IESO for MR-00370 and expressed concern that the market rule amendment could limit trade, which is contrary to the purpose of the market. The IESO committed to conducting additional analysis to address comments from the IJT members. This analysis will be reflected in a revised amendment proposal to be circulated for comment by IJT members before it is submitted to the Technical Panel.

Other items discussed included the high pricing event from November 16, 2009, the use of TLRi versus ADQh codes when curtailing exports for Ontario adequacy, and the actions the IESO will take to eliminate instances where participants are made ineligible for CMSC when partially curtailed with the TLRe code.

Reliability
Standards

Information
Technology

Revenue
Metering

Commercial
Reconciliation

Forecasts &
Assessments

Outage
Planning

Inter-
Jurisdictional
Trading

Wind Power