



Stakeholder Engagement Process

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Public

Introduction

PURPOSE

The IESO Board and senior management are committed to providing stakeholders with an interest in IESO initiatives, an opportunity for input before a decision is made or before the change occurs. Stakeholder engagement is an aid to decision making and not a replacement for it. Stakeholder engagement principles guide the planning, implementation, and evaluation of stakeholder engagement activities and the conduct of both the IESO and participants in the process.

This document outlines the process used by the IESO to solicit feedback from stakeholders.

OBJECTIVE

The objective of this document is to succinctly describe the engagement process that guides IESO stakeholder engagement activities.

OVERVIEW

Stakeholder engagement has always been an integral part of the IESO decision making process. Under s. 13.2 of the *Electricity Act, 1998* the IESO is required to establish one or more processes by which stakeholders may provide advice and recommendations for consideration by the IESO.

In September 2005, following consultation, independent review and both Board and OEB approval, the IESO developed the stakeholder engagement process described in this document and established the Stakeholder Advisory Committee as an integral part of that process. The principles that shape this engagement process are summarized in Appendix A.

The IESO is committed to open, two-way dialogue with stakeholders – individuals with an interest in the IESO's business – to understand the challenges and develop solutions in a way that benefits both stakeholders and the IESO. The building block for this approach is the elaboration of a stakeholder engagement plan that specifies the steps of consultation and the roles and responsibilities of the IESO and stakeholders.

Stakeholder engagement is initiated for decisions or changes that impact stakeholders but are not purely administrative in nature (internal to the IESO), or clearly within its responsibilities (e.g., managing real-time operations). Stakeholder engagement plans are not required for programs focusing solely on education or information.

The stakeholder engagement process is designed to ensure that those affected by an IESO initiative will be given the opportunity to provide input to the decision before it is made and to ensure that the process is transparent, efficient and consistent.

Description of the Stakeholder Engagement Process

GENERAL DESCRIPTION

Stakeholder engagement is the process through which those affected by an IESO initiative are provided the opportunity to provide input before decisions are made.

The electricity industry is constantly changing and the IESO needs to make changes to continue to operate reliably and efficiently. The IESO stakeholder engagement process is used to manage stakeholder input to these changes. A change or initiative is brought to the attention of, or identified by, the Stakeholder Engagement Unit. The responsible IESO business unit develops a draft stakeholder engagement plan in consultation with the Stakeholder Engagement Unit. The plan is posted for comment and then, after any changes are incorporated, it is carried out. Once a decision is made by the IESO Board or senior management, the decision and its rationale are communicated to participants and those affected by it. In addition, there may be a need for continued involvement in planning, implementation, monitoring and assessment of the change effected. An evaluation of the engagement is completed by the stakeholders at the end of the process.

STAKEHOLDER ENGAGEMENT PRINCIPLES

[Stakeholder engagement principles](#) guide the conduct of both the IESO and stakeholders to help ensure the engagement is conducted with integrity towards an efficient and effective process. All stakeholders are provided with an opportunity to be informed about IESO activities and participate in issues and opportunities that affect them. Stakeholders' perspectives are used to inform decision-making, the responsibility for the decision rests with the IESO.

STAKEHOLDER ADVISORY COMMITTEE TO THE BOARD & EXECUTIVE

The Stakeholder Advisory Committee gives senior stakeholder representatives the opportunity to provide policy-level advice and recommendations directly to the IESO Board of Directors and Executive on IESO market development decisions (e.g., decisions that have a material affect on the existing electricity market or future evolution of the market), IESO planning decisions (e.g., business plans, etc.) and other matters of concern to stakeholders.

Committee members are responsible for gathering input from their respective constituencies and representing constituencies' views on issues. Stakeholders are encouraged to contact their representative on the Committee on matters of importance to them to bring to the Committee meetings. The e-mail and phone number of the members can be found at

http://www.ieso.ca/imoweb/consult/stakeholder_ac_members.asp

The Committee is made up of representatives from the following constituencies: generator (2)¹, marketer/broker (2), distributor (2), and one each from embedded industrial consumer, wholesale consumer market participant, public service consumer, commercial consumer, residential consumer, environmental sector and transmitter (total 13 members). The Committee also includes one member of

¹ Denotes number of members

IESO executive (non-voting). The Board may appoint additional members at its discretion to broaden input.

Key Characteristics

- Chaired by stakeholder representative.
- Advice to be provided through motions and polling (to formalize and make clear stakeholder positions).
- [Terms of reference](#) developed and published in consultation with members and approved by the Board.

STANDING COMMITTEES, WORKING GROUPS, CONSUMER FORUM AND THE TECHNICAL PANEL

Stakeholder initiatives try to use existing [standing committees](#), [working groups](#), Consumer Forum activities and the Technical Panel to gather stakeholder feedback.

A standing committee is a specific extended stakeholder engagement vehicle that provides an ongoing means for both stakeholder education and input on a range of function specific issues.

A working group is a specific time-limited stakeholder engagement vehicle. Working groups are normally created to address a specific issue in detail. The duration of the working group is directly tied to the resolution of the issue. The creation of any new working group is usually limited to those established through a stakeholder engagement plan. The stakeholder engagement plan or terms of reference for the working group will clearly describe the group's purpose, objectives, and estimated duration.

The Consumer Forum utilizes a range of initiatives to engage electricity consumers including both open consumer meetings and targeted outreach initiatives. Consumer Forum initiatives involve consumers through an effective outreach program that seeks out consumers with an interest in providing input to IESO electricity initiatives. This outreach may include meetings with consumers; individually, in small groups, in open forums or through various consumer groups. It may also include structured feedback sessions, surveys or email campaigns.

The Technical Panel provides recommendations on market rule amendments to the IESO Board. It also, as requested, advises the Board on specific technical issues related to the operation of the IESO-administered markets. The Panel is composed of 13 members representing constituent groups and the IESO.

Aside from the more formal mechanisms available through various working groups, committees, the Technical Panel or the Stakeholder Advisory Committee, comments from stakeholders on stakeholder engagement activities are always welcome and should be directed to stakeholder.engagement@ieso.ca.

MAJOR MARKET EVOLUTION AND OPERATIONAL CHANGE

- (a) The initiative is identified by the IESO or stakeholders. Stakeholders are encouraged to discuss such initiatives with their Stakeholder Advisory Committee member, IESO account manager or the stakeholder engagement unit.
- (b) The IESO evaluates the nature of the initiative to determine the best approach for stakeholder engagement. This essentially means selecting one of: the feedback process or the consultation

process. The IESO in making its preliminary determination will take into account the nature of the initiative, stakeholders impacted, risk and potential impact, among other considerations.

- (c) A draft stakeholder engagement plan is developed that contains the background, objectives, stakeholder method to be used and the timeframe for the activity. (See Appendix B) An example of a market evolution or major operational change would be the day-ahead commitment process (DACP).
- (d) The plan is distributed to stakeholders through the IESO weekly bulletin and is posted on the stakeholder engagement web page for comment and input from stakeholders.
- (e) Changes are made to the plan to reflect comments from stakeholders. Over time, the plan may be revised as needed to reflect changing circumstances and such revisions will be made available to stakeholders for comment.
- (f) Based on the timelines and stakeholder process identified in the plan, the stakeholder activities are carried out. Meeting materials, minutes, agendas, stakeholder feedback and IESO responses can be accessed through the [IESO stakeholder engagement web pages](#).
- (g) The Stakeholder Advisory Committee is briefed and its comments solicited.
- (h) The Stakeholder Advisory Committee provides its input including both written and oral comment directly to the IESO Board on those matters it chooses.
- (i) The plan documents the stakeholder process required to implement the identified market rule/manual/system changes, if any, as described in more detail in sections below.
- (j) Change is implemented.

MARKET RULE CHANGE

- (a) A market rule change is initiated by the IESO or stakeholders. Stakeholders are encouraged to identify changes using the market rule amendment [submission form](#).
- (b) All potential market rule amendments are reviewed by the IESO's Technical Panel. The IESO evaluates the nature of the change to determine the best method for stakeholder engagement. In some cases it will be decided that the Technical Panel is the best forum to solicit stakeholder views. In other cases, where there are existing IESO stakeholder groups with specialized expertise or there is a need to develop a more focused stakeholder engagement, the IESO will look to advice from these groups before taking it to the Technical Panel. As usual, in making its preliminary determination on stakeholder engagement, the IESO will take into account the nature of the initiative, stakeholders impacted, risk and potential impact among other considerations.
- (c) A draft stakeholder engagement plan is developed that contains the background, objectives, stakeholder method to be used and the timeframe for the activity. (See Appendix B.)
- (d) The stakeholder plan is distributed to stakeholders through the IESO weekly bulletin and is posted on the stakeholder engagement web page for comment and input from stakeholders. It is also identified in the Technical Panel material related to the proposed amendment.
- (e) Changes are made to the plan to reflect comments from stakeholders. Over time, the plan may be revised as needed to reflect changing circumstances and such revisions will be made available to stakeholders for comment.

- (f) Based on the timelines and stakeholder process identified in the plan, the stakeholder activities are carried out. Meeting materials, minutes, agendas, stakeholder feedback and IESO responses can be accessed through the [IESO stakeholder engagement web page](#).
- (g) This market rule change then follows the [market rule change procedure](#). The market rule amendment along with feedback is taken to the Technical Panel for review.
- (h) The IESO Board then reviews the market rule amendment submission along with the recommendation from the Technical Panel and makes a decision.
- (i) The market rule amendments currently under consideration by the IESO Board or Technical Panel, and those amendments approved by the IESO Board can be found on the [current market rule amendment](#) web page.

MARKET MANUAL CHANGE

- (a) A market manual change is initiated by the IESO, stakeholders, or flows from an amendment to the market rules or market systems. Stakeholders are encouraged to identify changes through one of the existing committees, working groups or IESO account manager.
- (b) The IESO evaluates the nature of the change to determine the best approach for stakeholder engagement. This essentially means selecting one of: the feedback process or the consultation process. The IESO in making its determination will take into account the nature of the initiative, stakeholders impacted, risk and potential impact among other considerations.
- (c) A draft stakeholder engagement plan is developed that contains the background, objectives, stakeholder method to be used and the timeframe for the activity. (See Appendix B) The plan identifies the process for getting stakeholder input on the implementation issues related to the market manual changes while maintaining consistency with the approved market rule changes. For market manual changes, it could be a simple plan or a more robust plan depending on the impact of the change. For administrative market manual changes such as contact information changes and other internal IESO changes, a stakeholder engagement plan will not be developed; the changes will follow the [pending changes](#) process.
- (d) A simple plan will be used for market manual changes that have low risk and have minimal impact on stakeholders. It will include the necessary elements of the plan but will likely consist of a shorter timeframe and reduced stakeholder engagement activity. This may, for example, only be an e-mail communication, a webcast or one meeting to discuss the change and provide an opportunity for feedback.
- (e) A more robust plan will be proposed if the change to the manual is likely to have a greater impact on stakeholders.
- (f) The stakeholder plan is distributed to stakeholders through the IESO weekly bulletin and is posted on the stakeholder engagement web page for comment and input from stakeholders.
- (g) Changes are made to the plan to reflect comments from stakeholders. Over time, the plan may be revised as needed to reflect changing circumstances and such revisions will be made available to stakeholders for comment.

- (h) Based on the timelines and stakeholder process identified in the plan, the stakeholder activities are carried out. Meeting materials, minutes, agendas, stakeholder feedback and IESO responses can be accessed through the [IESO stakeholder engagement web page](#).
- (i) IESO senior management then reviews the recommendations for market manual change along with any input from stakeholders and makes a decision.
- (j) The market manual is updated. All changes to the market manuals follow the pending changes process and are posted on the [pending changes web page](#). The [Current Baseline](#) document contains a list and of all of the documents that are changing and an explanation of the change, at that time. Upon completion of the impact assessment, stakeholders are notified that the market manuals have been updated and are posted on the [Rules and Manuals](#) page of the website. The Guide to Documents Published is available on the [Rules and Manuals](#) page the day the market manuals are posted as final and lists the documents updated and the reason for the change.

MARKET SYSTEM CHANGE

- (a) The change is usually identified by the IESO or flows through from an amendment to the market rules, a major operational change or a market evolution initiative.
- (b) The IESO evaluates the nature of the change to determine the best approach for stakeholder engagement. This essentially means selecting one of: the feedback process or the consultation process. The IESO in making its determination will take into account the nature of the initiative, stakeholders impacted, risk and potential impact among other considerations.
- (c) A stakeholder engagement plan is developed that contains the background, objectives, stakeholder method to be used and the timeframe for the activity. (See Appendix B)
- (d) The stakeholder plan is distributed to stakeholders through the IESO weekly bulletin and is posted on the stakeholder engagement web page for comment and input from stakeholders.
- (e) Changes are made to the plan to reflect comments from stakeholders (if required). Over time, the plan may be revised as needed to reflect changing circumstances and such revisions will be made available to stakeholders for comment.
- (f) Based on the timelines and stakeholder process identified in the plan, the stakeholder activities are carried out. Meeting materials, minutes, agendas, stakeholder feedback and IESO responses are posted on the [stakeholder engagement web page](#).
- (g) IESO senior management then reviews the recommendation for market system change along with any input from stakeholders and makes a decision.
- (h) Changes are implemented. All changes to the market systems follow the Pending Market Software changes process (IT Release). Affected documentation is part of the market manual process while IT System changes are implemented, through the IT Release process. These processes occur four times a year based on the Baseline Calendar.

EVALUATION OF STAKEHOLDER ENGAGEMENT ACTIVITY

The IESO conducts regular evaluation activities to measure the effectiveness of the stakeholder engagement activities and the conduct of both the IESO and stakeholders against the principles. The evaluation is usually conducted through a survey distributed to stakeholders participating in a particular engagement activity. Survey results are used to follow up and improve upon stakeholder engagement activities.

STAKEHOLDER ENGAGEMENT REPORT

The IESO publishes a quarterly [stakeholder engagement report](#) that provides an update of stakeholder activities and committee/working group actions. The report also contains a section titled “How are we doing” that summarizes the results of feedback on stakeholder engagement activities obtained through evaluations referred to the section above.

Appendix A: Stakeholder Engagement Principles

Stakeholder engagement principles guide the conduct of both the IESO and stakeholders to help ensure the engagement is conducted with integrity towards an efficient and effective process. All stakeholders are provided with an opportunity to be informed about IESO activities and participate in issues and opportunities that affect them. Stakeholders' perspectives are used to inform decision-making, the responsibility for the decision rests with the IESO.

The Principles of Stakeholder Engagement:

1. A **stakeholder engagement plan** will be developed for each significant issue or opportunity. The plan will define the objective, stakeholders to be engaged, method of engagement, schedule of expected activities and decision timeframes.
2. **Transparency and openness** of IESO's stakeholder engagement process and IESO decision making. The IESO will communicate with its stakeholders in an open and honest way. The IESO will communicate to its stakeholders the decision, the rationale for the decision and how their input was taken into account in the decision.
3. **Inclusive and adequate representation of all stakeholders.** The IESO will encourage the participation of relevant stakeholders, that is, those who have an interest in the action or decision under consideration, as well as those who would be affected by it or who may perceive they would be affected by it. Where practical, a variety of engagement methods will be offered so the full range of stakeholders may effectively participate in some way. Effort will be made to involve effective representatives of important relevant stakeholder groups, especially those that may have a tendency to remain silent or uninvolved.
4. Stakeholders will be provided with opportunities for **meaningful dialogue and input** into IESO decision making. The IESO will remain open to consider input that can influence recommendations and decisions. Stakeholder views will be communicated to decision makers prior to decisions being taken.
5. An **accessible and efficient stakeholder engagement process.** Varying levels of stakeholder engagement activities will be designed based on the nature of the decision, the significance of the issue or opportunity to stakeholders and the need for efficiency to assure engagement objectives can be met in a timely and cost-effective manner.
6. The IESO will work with its stakeholders to foster an environment of **sincerity, and mutual trust and respect.** All participants in an engagement are treated with respect and the forum is conducted in a fair, orderly, efficient manner. All participants in an engagement will strive to be informed about the issue or opportunity, to communicate their views and to support others.
7. **Neutrality of IESO.** The IESO will make efforts to understand the values behind the diversity of views presented by various stakeholder groups.
8. The IESO will provide stakeholders with **complete, accurate, timely and comprehensible information** they need to effectively participate in engagement activities. The information will be presented in a manner that the stakeholders can readily understand and at a time that allows for adequate review and consideration.

Appendix B: Elements of a Stakeholder Plan

The IESO is committed to initiate open, two-way dialogue with stakeholders – individuals with an interest or concern about the IESO’s business – to both understand and develop solutions to challenges in a way that benefits both stakeholders and the IESO. The building block for this approach is the elaboration of a stakeholder engagement plan that specifies the steps of consultation and the roles and responsibilities of the IESO and stakeholders.

Stakeholder engagement is initiated for decisions or changes proposed by the IESO that impact stakeholders but are not purely administrative in nature (internal to the IESO), or clearly within its responsibilities (e.g., managing real-time operations). Stakeholder engagement plans are not required for programs focusing solely on education or information.

The robustness of the plan can vary depending on the complexity of the plan but all plans need to adhere to IESO’s stakeholder engagement principles. The plan should provide enough detail to allow management and stakeholders to assess the adequacy of activities proposed in relation to the level of stakeholder impact. The plan should provide the schedule identifying opportunities for stakeholder input to IESO recommendations.

Each plan should contain the following information.

Summary

The one page summary provides stakeholders with a brief synopsis of the initiative and the objective.

Introduction

The introduction to the topic should discuss the background, the current situation including why stakeholder engagement is required, what input is required and by when. It should also define the IESO decision making authority and timeline and describe any assumptions on which the plan is based.

Stakeholders

Identify stakeholders and their likely interest in the plan. Identifying stakeholders provides those reviewing the plan with information regarding the adequacy of the plan.

Goal

The overall goal of the stakeholder program. Goals are higher order statements that drive the overall level/approach to stakeholder engagement.

Objectives

What is expected to be accomplished once the activities are complete? What is the role of stakeholders in the engagement process? Clearly stated objectives form the basis for later monitoring and evaluation. Objectives are more detailed statements, issue specific and attempt to address each stage of the decision-making process.

Stakeholder Approach/Level

The stakeholder engagement approaches are consultation, feedback or information/education. Identify the proposed level of stakeholder engagement for the plan and related rationale. The selection of the appropriate level is a function of goals and objectives, the significance of the issue to stakeholders, characteristics of the project/issues, the nature of the stakeholders, and the extent to which the organization desires to share the decision-making authority.

The overwhelming majority of stakeholder engagement processes fit into the “feedback” or “consultation” categories of engagement. Information/education approaches, by themselves, are not stakeholder engagement although every stakeholder engagement process involves some element of education as part of the process.

Methods

Stakeholder engagement methods are the means by which stakeholders are involved in decision making and stakeholder views and opinions are sought. There is no single, most effective method to involve stakeholders in any given decision, and in many cases, a number of alternative methods will be employed, sequentially and in combination, to maximize the flow of information in the most effective and efficient way possible. Stakeholder engagement methods need to match the level of stakeholder engagement selected. Examples of stakeholder engagement methods are: surveys, web-casts, face-to-face meeting (as a group or individual) and working groups.

Schedule of Activities/Decision Making Process

It is a public schedule identifying all external activities associated with the plan linked to key stages in the decision making sequence (e.g. posting dates, event dates, decision making milestones etc). Also included is the expected action for each activity and the contact information for the IESO sponsor.

Evaluation

Description of the proposed evaluation activities to measure the effectiveness of the stakeholder engagement activities.