

# IESO Stakeholder Advisory Committee

TO: IESO BOARD OF DIRECTORS

DATE: November 15th, 2007

FROM: STAKEHOLDER ADVISORY COMMITTEE

SUBJECT: **BRIEFING NOTE**

This memorandum is to update the IESO Board of Directors on the comments received from the Stakeholder Advisory Committee members with regards to the proposed 2008 Corporate Performance Measures.

Written comments were received from the following Stakeholder Advisory Committee members:

- Bruce Lourie, representing environmental;
- Dan Whyte, representing generators;
- Julie Girvan, representing residential consumers;
- Richard Horrobin, representing generators;
- John Witjes, representing public service consumers; and
- Brian Bentz, representing distributors.

## **Summary**

Overall the comments were supportive of the recommended 2008 Corporate Performance Measures. Support was also reiterated for the introduction of a “People” (IESO staff) perspective for the IESO’s corporate performance scorecard. In 2008 the People perspective will measure employee engagement, talent management and performance management.

Stakeholders sought clarification or provided recommendations on the following seven issues:

1. SMART Metering costs;
2. Day-Ahead Market implementation;
3. Intervening at relevant Ontario regulatory proceedings;
4. Succession management;
5. Timing of the implementation of the measure relating to sustainability;
6. Coordination with the Ontario Power Authority; and
7. Demand Response and Conservation.

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## **1. SMART Metering Costs**

### Comments

Ms. Girvan expressed concern about the costs associated with the SMART Metering initiative and the lack of a specific target to measure the extent to which the IESO is proceeding with this major project in a cost-effective manner. She questioned whether the costs were captured by the measures within the “Effective Use of Funds” perspective.

## **2. Day-Ahead Market Implementation**

### Comments

Mr. Horrobin indicated that he would like to see a measure associated with the implementation of a Day-Ahead Market.

## **3. Intervening at Relevant Ontario Regulatory Proceedings**

### Comments

Measure 2.5 provides in part that the “IESO intervenes, consistent with its objects, in the Integrated Power System Plan, Bruce to Milton, OPG Prescribed Assets, and Reliability Must Run contract proceedings”.

Ms. Girvan questioned the performance target relative to this measure. She recommended that the IESO target making a “meaningful contribution to those proceedings” as opposed to simply intervening in the proceedings.

## **4. Succession Management**

### Comments

Richard Horrobin asked whether the 2008 corporate performance measures specifically addressed succession management ?

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## **5. Timing of the Implementation of the IESO Measure Relating to Sustainability**

### Comments:

Mr. Lourie and Ms. Girvan indicated their disappointment that a measure on sustainability will be delayed until 2009 particularly given the importance the government has placed on the environment.

Mr. Whyte indicated that he understood the need to establish a sufficient set of baseline data points and that he looked forward to a briefing on the same in mid-2008.

Mr. Witjes advised that the most widely accepted definition of “sustainable” provides that a sustainable world can only be achieved by balancing environmental responsibility with economic and social responsibility. He suggested that perhaps our 2009 measure could mention economic and social responsibility in addition to environmental responsibility.

## **6. Coordination with the Ontario Power Authority**

### Comments

Mr. Lourie and Mr. Horrobin asked whether the IESO performance measures captured coordination with the Ontario Power Authority (OPA) ?

Specifically, Mr. Lourie stated:

“ There is an element of coordination with OPA related to data sharing, demand forecasting, and other areas of potential overlapping jurisdiction that are unclear to me. I know this is difficult to measure without specifics but perhaps a greater sense of perception of coordination as well as a data sharing protocols may be useful.”

## **7. Demand Response and Conservation**

### Comments

Mr. Lourie enquired to what extent the IESO is measuring the effectiveness of demand response and conservation. He offered the following clarifying comments:

“regarding demand response I think there is the potential for the IESO to play a much larger role as a partner of OPA in delivering demand response beyond

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“emergency” situations. ... Not duplication but partnership based on resident expertise.”

“And related to conservation more broadly I imagine the IESO is in unique position again to partner with appropriate entities in helping measure, monitor, deliver, etc conservation in Ontario. As a primary energy sector player and given the conservation priorities in Ontario I do not think it is reasonable for IESO to limit their role to emergency demand response.”