

**IESO Stakeholder Advisory Committee**  
**Minutes of Meeting**  
**October 19, 2011, 8:30 am**  
**Toronto Congress Centre**

**Advisory Committee Members in Attendance:**

Mr. John Witjes - Chair (representing Public Sector Consumers)  
Mr. Jack Burkom (representing Marketers/Brokers)  
Mr. Bruce Campbell (representing IESO)  
Mr. Paul Ferguson (representing Distributors)  
Ms. Julie Girvan - Vice-Chair (representing Residential Consumers)  
Mr. Richard Horrobin (representing Generators)  
Mr. Mark Schembri (representing Commercial Consumers)  
Ms. Ersilia Serafini (representing the Environmental Sector)  
Mr. Wayne Smith (representing Transmitters)  
Mr. Adam White (representing Wholesale Consumer Market Participants)  
Mr. Todd Wilcox (representing Distributors)  
Mr. John Williams (representing Embedded Industrial Consumers)

**Absent:**

Ms. Adèle Malo (representing Marketers/Brokers)  
Mr. Craig Martin (representing Generators)

**Presenters:**

Mr. Paul Murphy  
Ms. Candice Trickey  
Mr. George Vegh

**IESO Board Members in Attendance:**

Mr. Tim O'Neill – Chair  
Ms. Roberta Brown  
Mr. David Cassivi  
Ms. Angela Ferrante  
Ms. Tricia O'Malley  
Mr. Paul Murphy  
Mr. William Museler  
Mr. Rudy Riedl  
Mr. Howard Shearer  
Mr. John Wiersma

**Agenda Item No 1: Welcome – John Witjes**

Mr. Witjes welcomed everyone to the meeting, in person and joining via teleconference. He acknowledged representation from the Board of Directors and thanked them for their participation.

There were no additional agenda items.

**Agenda Item No. 2: IESO Senior Management Update – Bruce Campbell**

Mr. Campbell took the floor to provide an update to the Committee on several items.

**a) MDMR/Smart Metering**

The briefing note is available at: [http://www.ieso.ca/imoweb/pubs/consult/sac/sac-20111019-Item2\\_MDMR\\_Update.pdf](http://www.ieso.ca/imoweb/pubs/consult/sac/sac-20111019-Item2_MDMR_Update.pdf).

Mr. Campbell spoke to the briefing note and referred Committee members to the note for additional details.

Mr. Wilcox asked if Release 7.2 software would be in production by mid-January, 2012.

Mr. Campbell responded that 7.2 is currently in testing, and while the summer update to LDCs targeted January 2012 for the release, he cannot at this time confirm an in-service date. He expects that there will be more information about the testing and release timelines provided in the regular update to Local Distribution Companies scheduled in November 2011. (Secretary's note: More information about Release 7.2 is available on the Smart Metering Entity website <http://www.smi-ieso.ca/home>.)

There were no further questions on this item.

**b) Enhanced Day-Ahead Commitment**

Mr. Campbell commended the significant contribution of market participants to the project, which is a major market change, as well as the enthusiasm and commitment of IESO staff. Overall there was a smooth transition during testing and implementation of the new Day-Ahead Commitment Process which came into effect on October 12. The first preliminary settlement statements following DACP implementation will be issued on October 27, with final statements issued on November 10.

Mr. Campbell noted that there is a six-week grace period for the new market rules creating a penalty for voluntary withdrawal of a Day-Ahead Commitment. After this expires on November 24, penalties will be levied according to the Market Rules.

Mr. Witjes asked if the IESO has a way of gauging feedback from the market on the launch of the Enhanced Day-Ahead Commitment Process. Mr. Campbell responded that in terms of the results, the IESO will be looking at Market Participant response. He further noted that even though it is early, the IESO is cautiously optimistic that projected benefits from 24-hour optimization and other features will be clearly seen in the market.

There were no further questions on this item.

### **c) Renewable Integration Initiative**

The briefing note is available at: [https://www.ieso.ca/imoweb/pubs/consult/sac/sac-20111019-Item2\\_RII.pdf](https://www.ieso.ca/imoweb/pubs/consult/sac/sac-20111019-Item2_RII.pdf)

Mr. Campbell spoke to the briefing note and referred Committee members to the note and to the SE-91 Stakeholder Engagement page [https://www.ieso.ca/imoweb/consult/consult\\_se91.asp](https://www.ieso.ca/imoweb/consult/consult_se91.asp) for additional details.

There were no questions on this item.

### **d) 2012-2014 Business Plan**

The briefing note is available at: [http://www.ieso.ca/imoweb/pubs/consult/sac/sac-20111019-Item\\_2-Business\\_Plan.pdf](http://www.ieso.ca/imoweb/pubs/consult/sac/sac-20111019-Item_2-Business_Plan.pdf).

Mr. Campbell spoke to the briefing note and provided the Committee with an update further to a meeting that the Minister of Energy held with Mr. Murphy on October 18, followed by a letter which indicated that the Minister is not prepared to accept the business plan as submitted. The Minister's expectation is that the IESO will revise the plan further reduce the proposed expenditure and revenue requirement, then re-submit the plan to the Minister before it is filed with the OEB.

The IESO does not currently have more detail but is considering how to appropriately respond to the Minister's request.

Mr. Witjes asked if there was anything the Committee could do to support the business plan, as the Committee has been supportive of the IESO's current plan and its development.

Mr. Campbell thanked the Committee for its support and responded that the IESO is working on a short time frame but will carefully consider how to draw on the Committee's support.

Ms. Serafini asked what the time frame is for submitting the revised plan to the Minister.

Mr. Campbell said that it is a very short time frame since the plan must be approved by the Minister and submitted to the OEB 60 days before the end of the calendar year.

There were no further questions.

### **e) Export Transmission Service Tariff Study**

The briefing note is available at: [http://www.ieso.ca/imoweb/pubs/consult/sac/sac-20111019-Item2\\_SAC%20Update\\_ETS\\_Draft\\_ct.pdf](http://www.ieso.ca/imoweb/pubs/consult/sac/sac-20111019-Item2_SAC%20Update_ETS_Draft_ct.pdf).

Mr. Campbell spoke to the briefing note and referred Committee members to the note for additional details. The results of this study will be considered in the next transmission rate application of Hydro One, which is expected to be filed in May 2012.

There were no questions on this item.

### **Additional Item**

Mr. Campbell thanked Mr. Horrobin for his two terms of service on the Committee. His participation has been well-informed with good representation for the generator sector which is beneficial for the Committee. Mr. Witjes thanked Mr. Horrobin on behalf of the SAC for his help and participation on the Committee over the years.

### **Agenda Item No. 3: IESO Vision Statement – Paul Murphy**

Mr. Witjes introduced Mr. Murphy, President and CEO of the IESO.

Mr. Murphy said there had been extensive consultation on the Vision Statement with IESO employees, the Committee, and the Board of Directors. He thanked the Committee particularly for their advice and guidance, and said that the Board had provided very good advice on the development of the statement as well.

The new IESO vision statement is: "A reliable, efficient and innovative electricity marketplace that enables informed decisions by all participants, including consumers."

Mr. Murphy stated that the IESO wanted the vision statement to express goals not only for the IESO but also for the sector. It needed to resonate with employees, as well as stakeholders. It needed to be credible and achievable, but also challenging and aspirational. Mr. Murphy noted that different stakeholders may take different things from the statement; for the IESO it represents the desire to be leaders, using creative and cost effective means to achieve reliability. The IESO sees the marketplace as a more broad space than just the spot market, encompassing everyone engaged in buying and selling electricity, but the IESO continues to believe that an electricity market is an important part of the system, enabling efficient outcomes in the wholesale market through the provision of transparent information to all stakeholders.

Mr. Murphy reiterated that this is meant to be a broader vision, for all people in the sector who are working together for the benefit of the people of Ontario and he thanked the Committee for its part in crafting it.

Mr. Witjes thanked the IESO for the opportunity to have participated in discussions on the development of the vision statement.

There were no further questions or comments.

**Agenda Item No. 5: Enhancements to Market Data and Information – Candice Trickey**

The briefing note is available at: [http://www.ieso.ca/imoweb/pubs/consult/sac/sac-20111019-Item 5 Enhancements to Market Information SAC final.pdf](http://www.ieso.ca/imoweb/pubs/consult/sac/sac-20111019-Item_5_Enhancements_to_Market_Information_SAC_final.pdf).

Mr. Witjes introduced Ms. Trickey and requested Committee discussion following her presentation and the submission of written feedback to the IESO in two weeks, for posting on the Committee website.

Ms. Trickey's presentation is posted at [https://www.ieso.ca/imoweb/pubs/consult/sac/sac-20111019-Item 5 Market Information.pdf](https://www.ieso.ca/imoweb/pubs/consult/sac/sac-20111019-Item_5_Market_Information.pdf).

Mr. Witjes thanked Ms. Trickey for her presentation and asked if the IESO tracks hits on the IESO website. Ms. Trickey responded that the IESO does track hits, although this does not translate into information about what is important or what is actually being used, due to traffic from automated systems. It does help identify areas where there is little or no interest, however.

Mr. Witjes opened the floor to SAC members to provide comment on the questions posed in the IESO Market Information consultation briefing note.

On behalf of the **Public Sector Consumer** sector, Mr. Witjes said that market information is used for several purposes, particularly to avoid peak pricing, to dispatch co-generation facilities, to make decisions about contracting forward-market products to hedge against price volatility, to plan and participate in DR activities, and for budgeting. The IESO provides data that is used for the third-party analysis commissioned by Ontario's universities to provide unit cost budget estimates. IESO data is adequate for today's needs, in Mr. Witjes view. However, in the future, they will have a need for information about GHG emissions and to assist in carbon analysis and management.

Mr. Burkom noted that Ms. Malo was unable to attend the meeting to speak on behalf of retailers, but he would comment for the wholesale trading segment of the **Marketers and Brokers** sector. The IESO is doing a great job on data transparency and it currently provides information that is better than the information made available in many other jurisdictions. The transparency of generation information is an example of transparent real-time information that is beneficial for decision-making. While there is Day-Ahead information they would like to have related to the new Day-Ahead Commitment Process, the availability of generation data means that they can do analysis to see how the changes are taking place and this helps real-time

decision-making. Where they see a need for more transparent and consistent information is in longer-term, forward looking information. As examples, Mr. Burkom cited a need for information about the commissioning schedule for the Michigan PARS, longer-term TLRs on the Eastern interface, or changes for nuclear refurbishment schedules and outage dates.

Representing **Embedded Industrial Consumers**, Mr. Williams stated that the view of IESO data is that it has very good credibility and transparency and that it is better than other jurisdictions. He said that while the summary reports are very good, reworking them would also be fine. Members of his sector prefer to have individualized information. However, he cautioned the IESO about trying to meet all stakeholder needs, to the possible detriment of quality of available information due to the diversion of scarce resources. Mr. Williams noted that information is typically used by his sector for business planning and for strategic decision-making regarding operations in other jurisdictions. One specific example of information stakeholders in this sector would like to have is data on GHG emissions from generation, to enable them to better analyze their carbon footprint. In the future, there will likely be the need for more real-time energy-use decisions, so there will be an expanded number of users seeking IESO data. This would not require changing the available catalogue of data but the IESO may need to consider that the data will have new and different users.

Mr. Witjes commented that GHG emissions and carbon credits have become an important issue in the university sector as well.

Ms. Girvan, representing **Residential Consumers**, stated that it is difficult to comment on this topic since residential customers are not direct market participants. However, she responded to Ms. Trickey's comment that residential customers do contact the IESO for information, and wondered what types of information they are seeking and whether the IESO is the most appropriate source of information for their needs. She offered to coordinate with the IESO to further explore this topic.

Ms. Trickey replied that the calls from the general public vary widely in terms of topic and tone: they may be about the sector generally, about billing, Global Adjustment, market prices, current events, or other matters. Callers range from individuals who are looking for answers to specific questions or are curious to learn more about the market, generally, to those who are calling to express dissatisfaction with some aspect of the sector. There are also callers who reach the IESO as a result of being referred by another organization. Ms. Trickey agreed it would be helpful to work with Ms. Girvan to understand the residential sector's needs.

Ms. Serafini said that she was still gathering input from the **Environmental Sector** and would provide further details in her written submission. She noted that she would echo Committee members who reference an emerging need for carbon and GHG information. Today, the most-used information in her sector is tracking provincial demand data. Information from smart meters and aggregated demand data would be very useful to the sector if it could be provided.

Mr. White, representing **Wholesale Consumers Market Participants**, complimented the IESO's data and said that the IESO is relatively good about providing accessible information and similar information can be hard to find from other ISOs, as they have learned while developing benchmarks for their sector. For more sophisticated industrial customers engaged in the IESO-Administered Market, real-time information is very important. Mr. White also noted that there is a large class of General Service industrial customers who have low awareness of data, generally, and who may find IESO data difficult to understand and to access. In all cases, however, a basic need of energy managers in the sector is information for budgeting and forecasting.

Mr. White noted that IESO data is used by his association in its own analytic tools, to assist members. In his view, the best service focus for the IESO is to provide the information and data that only the IESO is in a position to provide, in ways that maximize its accessibility (data in XML for example, or provided with full details of how the data is gathered and/or calculated). The summaries are useful products, but like all IESO information, should be examined in terms of the objectives for providing data.

For the future, Mr. White said that the use of digital technology in the electricity grid provides an opportunity to provide more and better data with further granularity. Making such data available could assist organizations in forming views about how beneficial market evolution initiatives such as locational marginal pricing might be. Data he would like to see made available includes flows at nodes throughout Ontario, generator offers, and individual meter data for Local Distribution Companies.

Mr. Ferguson, representing **Distributors**, said that the data provided by the IESO is currently very good. It is going forward that Distributors may need more information. As more consumers move to time-of-use rates, they will want to have more information about their costs. Global Adjustment is an example of a charge that is very difficult to explain to consumers because there is not much information available about the costs that are included. If Distributors can get information with more granularity, they will be able to explain it better. As a sector, there could be efforts to improve that. Distributors also use IESO data to explain the time-of-use pricing structure. It will be helpful to have more information to share with consumers about renewable generation and how the IESO is managing the dispatch of those resources.

Mr. Wilcox, also representing **Distributors**, said that one of the key things to clarify is the IESO's role in education. This is an unstated function and there is overlap in the sector that could result in confusion due to uncoordinated messaging. Access to real-time information from meters is important, and Local Distribution Companies need access to the data more quickly and effectively. In Mr. Wilcox's experience, distribution customers are usually favourable about the IESO website. Customers do request more information on Global Adjustment, particularly forecast information. Mr. Wilcox also observed that there are opportunities to improve and simplify the way users get information, for example, providing a colour cue for the current time-of-use rate as soon as a user goes to a webpage.

Ms. Trickey commented on the issue raised by Mr. Wilcox about responsibilities. The IESO does get calls from customers who have already made multiple calls and have either been referred to the IESO by another organization or have found the IESO on their own. Education is a shared responsibility, and messages do need to be coordinated to ensure that consumers are getting the most accurate information, in an efficient way. It is for this reason that the IESO coordinates an annual meeting with communications personnel from Local Distribution Companies for the purpose of discussing current issues and information about these issues. Ms. Trickey indicated she would be interested in discussing alternative means to ensure messages are coordinated.

Mr. Smith, representing **Transmitters**, said that they do get the information that is needed and they thank the IESO. This information is used for planning, but also in the course of customer interaction. Hydro One also has its own catalogue of information and the release of this information is often governed by Market Rules. As a result, Hydro One is particularly interested in how this theme is developed, based on what is permitted or not permitted by the Market Rules. Mr. Smith also noted that the needs for specific information will change rapidly in the next year, particularly in terms of impacts from distributed generation and the evolving smart grid. As new capability to produce and retrieve more information, it will be necessary to review confidentiality requirements and access to information. For this reason, he encourages the IESO to examine and develop underlying principles for providing information for an efficient market as well as processes for evaluating and meeting new information requests and needs, in order to help all participants understand how information is provided and how new needs can be brought to the attention of the IESO.

Mr. Schembri, representing **Commercial Consumers**, said that the information is good. It is used for budgeting, contracting, decision-making regarding investments in CDM and DR initiatives. Ultimately they are heading more toward a daily energy usage strategy that will have specific information needs. In the sector, there is a current need for more detail about the costs that go into global adjustment, particularly regarding the future costs and volumes from OPA contracts. One-year forecasts for the HOEP and Global Adjustment would also be very helpful for the sector, recognizing that these can change.

Mr. Horrobin, representing **Generators**, offered a few comments in advance of completing consultations with the sector. As a Generator, information is used for dispatch, and also to trade power in order to hedge the price risk. IESO information guides and informs decision-making. From a dispatch perspective, Generators are concerned with Surplus Baseload Generation and understanding how the market will respond now and in the future to this problem and the impact it will have on operations. The longer the forecasts are, the better (a 60- or 90-day window would be better than 30 days). An increase in wind and renewable generation is going to increase the impact on operations. An area where the sector would like more information and more transparency is on transmission capability. Transmission outages have an impact on the value of decisions that have been made. Generally, Mr. Horrobin said, he appreciates the effort being made by the IESO to enhance data.

There were no further questions or comments.

**Agenda Item No. 4: Electricity Market Forum – George Vegh**

Mr. Witjes introduced Mr. Vegh, the Chair of the Electricity Market Forum. John said that he had been invited by the SAC to update the committee on the progress made by the Electricity Market Forum, further to his update at the August meeting.

Mr. Vegh's presentation is available on the web at:

[http://www.ieso.ca/imoweb/pubs/consult/sac/sac-20111013-Item\\_4-Electricity\\_Market\\_Forum.pdf](http://www.ieso.ca/imoweb/pubs/consult/sac/sac-20111013-Item_4-Electricity_Market_Forum.pdf)

Mr. Witjes thanked Mr. Vegh and invited questions from members.

Mr. Wilcox asked about the potential impact of any changes to rate regulation and structures and the reallocation of any of these costs in the future. Mr. Vegh said that there are possible opportunities for exposing consumers to costs at times when those costs are generated. He suggested a possible recommendation to the OEB that there be some analysis and assessment of ways that a customer's bill can reflect the costs at times when electricity is most valuable.

Mr. Wilcox noted the presented options include reviewing initiatives such as Demand Management programs which raises the issue of coordination with other agencies, in this case the OPA. He asked to what extent the other agencies are committed to the Electricity Market Forum's recommendations. Mr. Vegh said that the Electricity Market Forum has had good participation from the agencies. These organizations are conducting their own reviews of various programs and procedures, and the Electricity Market Forum envisions any relevant recommendations being considered during those reviews.

There were no further questions.

Mr. Witjes thanked Mr. Vegh and said they were looking forward to seeing the recommendations of the Electricity Market Forum.

**Agenda Item No. 6: Other Business**

There was no other business arising.

**Agenda Item No. 7: Wrap Up and Adjournment**

Mr. Witjes thanked those present for joining the meeting.

The meeting was adjourned.