

IESO Stakeholder Advisory Committee
Notes re Discussion with IESO Board of Directors
April 12, 2012

John Witjes, Chair and of the IESO Stakeholder Advisory Committee (SAC) provided the IESO Board of Directors an overview of the discussions from the March 21, 2012 SAC meeting at the IESO Board meeting held on April 12, 2012. Todd Wilcox, Vice Chair of SAC was also in attendance.

IESO Board Chair Tim O'Neill welcomed Messrs. Witjes and Wilcox and expressed his appreciation, on behalf of the Board, for the work of the SAC members – in particular the views and input received from the various sectors they represent. He congratulated Mr. Witjes on a successful SAC meeting (on March 21) which contained a great deal of informative discussion and looked forward to working with them throughout the year.

With most of the Board members in attendance at the SAC meeting, Mr. Witjes gave a brief overview of the presentations/discussion at the March 21 meeting including Senior Management Update from Mr. Campbell as well as a presentation on the Summer Outlook from Operations and the challenges and resolutions the IESO will face this year – particularly with respect to the integration of renewable generation. Full copy of the Minutes can be viewed at : http://www.ieso.ca/imoweb/consult/stakeholder_ac_meetings.asp:

Mr. Witjes then expressed his appreciation to the IESO for the opportunity to provide their priorities to the IESO in support of the development of their business planning for 2013-2015. He echoed Mr. O'Neill's comments that he was pleased at the participation during this particular area of discussion at the meeting. In summary, the SAC priorities are:

Priorities for Consumers

The Wholesale, Commercial, Residential, Embedded Industrial and Public Service Consumers as well as the Distributors and the Environmental sector all focussed their priorities on consumer engagement in various forms.

They each emphasized the need to find ways for consumers to manage their costs by either responding to market signals or using existing capability and infrastructure to provide electricity services. Many of them also called for better coordination and a shared vision for demand response amongst the various agencies with the Distributors calling for the IESO to take the lead in developing this.

Some examples of what the various consumer-based sectors are looking for from the IESO are:

- better opportunities for embedded consumers to respond to system needs (centralized programs, global adjustment allocation, better price signals, technology to automate response, access to ancillary services)
- define the system needs, or the objectives for consumer engagement
- programs to increase education and awareness of opportunities for consumers to participate
- address recommendations from the Electricity Market Forum
- greenhouse gas emission information and voluntary demand response signals to support corporate sustainability efforts

Priorities for Suppliers

The Generator and Marketer/Broker sectors had a number of fairly specific requests of the IESO that focussed on two areas of priority: surplus baseload generation management and market enhancements.

Managing Surplus Baseload Generation (SBG)

- increase transparency of actions taken to manage SBG
- advocate for reduced export tariff fees
- encourage consumption during SBG (CAOR and 1x ramp rate may improve price signals)
- avoid increased investment in conservation
- use most dynamic resources to solve and ensure equitable compensation for those that are constrained

Market Enhancements

- resist pressure to address market issues through administrative measures
- proceed with Electricity Market Forum recommendations provided the IESO is transparent in how recommendations will be addressed
- sign Memorandum of Understanding allowing for trading of capacity across jurisdictions
- increase quantity and term of Financial Transmission Rights to improve ability to hedge
- reduce intertie scheduling window to match neighbors

Priorities for Transmitters

For the transmission sector the key theme was cost efficiency. The transmitter representative spoke about continuing to focus on finding more efficiency to drive costs down, specifically in implementing the new Bulk Electricity System definition and in ensuring that maintenance programs can be efficiently delivered despite increased complexity resulting from increase in renewables.

Further details on the SAC priorities can be found at:

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

Mr. Witjes wrapped up his overview by thanking the Board for this opportunity and looked forward to seeing the priorities discussed in the IESO business planning process.

Ensuing Discussions

Additional items were discussed following Mr. Witjes's presentation including:

- Lack of education for consumers around cost. Customers are becoming lost in the complexities of electricity pricing
- Need to further engage residential consumers recognizing the difficulty to reach out to this audience
- Look for opportunities to better engage public attendance at SAC meetings