

Establishing Priorities for IESO Studies of Market Design Changes

Stakeholder Advisory Committee
October 30, 2008



- Purpose
- Model Overview
- Criteria
- Scoring and Weighting
- Additional factors
- Timing
- Next Steps

- Seeking the Advisory Committee feedback and concurrence on process and next steps

Address following issues:

- Stakeholder concerns
 - IESO establishing priorities: not transparent or consistent
 - Stakeholder priorities are not IESO priorities
- IESO concerns
 - Different forums, different criteria
 - Resource capability

Goals

- Develop consistent and transparent process for establishing priorities for IESO studies of market design changes
- Ensure IESO working on the 'right' design change studies³

- Assess expected impacts of market design change issues for 6 criteria
 - Assess and score the issue expected impacts/costs/support
 - Sum the weighted score for an issue
 - Higher weighted total score means higher priority
- Additional Factors
- Roles
 - IESO Market Evolution
 - Manage process
 - Assess expected impacts; additional factors
 - Conduct internal and external consultation
 - IESO Senior Management
 - Review and challenge/confirm priorities
 - Stakeholders: Advisory Committee, Technical Panel, Market Pricing Working Group
 - Review and provide feedback

- Align with IESO mission and strategic objectives
 - Reliability
 - Market efficiency
 - Sustainable electricity service
 - IESO efficiency
 - Implementation cost
 - Stakeholder support
- IESO resources to undertake study **not** a criteria (but an “additional factor”)

- Assessment of expected impacts, implementation costs and stakeholder support
- Score each criteria separately

Score	Criteria 1-4: Reliability, Market Efficiency, Sustainability, IESO Efficiency	Criteria 5: Implementation Costs	Criteria 6: Stakeholder Support
0	No +ve impact	Significant	None
1	Little +ve impact	Moderate	Little
2	Moderate +ve impact	Minor	Moderate (mixed)
3	Significant +ve impact	None	Significant

- Weighting: recognize some criteria more important than others
 - Reliability: 30%
 - Market Efficiency: 20%
 - Sustainable Electricity Service: 20%
 - IESO Efficiency: 10%
 - Implementation Cost: 10%
 - Stakeholder Support: 10%
- Weighted Total Score:
 - Higher the weighted total score: higher the priority

- Legal/regulatory obligation
- IESO Resources
- Quick-hits vs. long-term studies

- Factor for IESO to consider when scheduling which studies be undertaken
- May result in IESO undertaking lower scoring studies instead of higher scoring studies

- First scoring by end of 2008
- IESO Business Planning Cycle
- Quarterly reviews
 - New issues
 - New circumstances
 - Study findings

- Consider Advisory Committee feedback: process, scoring, weighting etc and make changes as required
- Additional stakeholder review and feedback on proposed model
 - Technical Panel: 18 Nov 08
 - Market Pricing Working Group: 2 Dec 08
- IESO Board information: 13 Nov 08
- Finalize criteria, scoring, weighting
- Score listed market design change issues
- Stakeholder Advisory Committee: 3 Dec 08
 - Review and feedback on the scoring of issues