

Marketer & Brokers Applauds Efforts of IESO In Their Efforts to Develop Market Roadmap.

The marketers and brokers are pleased that the IESO is showing leadership in their commitment to develop a market roadmap. We recognize the challenges of developing this roadmap and the need to involve the government and the other agencies. It demonstrates leadership. If we compare it to a sailboat, there are those that wait for the wind to adjust their sales, followers who adjust their sales by following the wind patterns and there are leaders who adjust their sales in anticipation of where the wind is going to be. We applaud the IESO on being a leader and listening to our requests by including a “Market Roadmap” in their Business Plan. But there is a challenge. The group is full of cynicism. There are several IESO committees that companies have dedicated thousands of dollars of man-hours to limited result. A lot of these committees are at a standstill. The EDAC decision was a major setback to the development of a competitive market.

It will take some time for customers and companies to become engaged in their options as they currently have been many false starts to market initiatives. The current way the hybrid market is working is challenged in its sustainability with the global adjustment at times exceeding the HOEP.

The frustrations are currently high. The market roadmap must come with a change management plan. What is different this time? The marketers and broker communities are looking for a market end state, with key deliverables and time lines. What? When? How? It will be required to cross government boundaries to have the complete solution. The broker and marketer community is interested in creating value for the customer by promoting a clear price signal that efficiently guides consumption and production decisions. Eg day ahead markets and CDM programs.

Competitive electricity markets drive innovation and development of clean energy sources. As Ontario pursues a leadership role in a green economy, expanding the competitive market is an important step in spurring the renewable energy and efficiency solutions that improve sustainability. Customers and brokers and marketers from across the province have been outspoken in their call for a rethinking of Ontario’s energy policy of putting all of the additional costs into global adjustment. An appropriate price signal rewards and incents the correct behavior.

As you aware it is difficult to hedge and proactively manage your power costs as so much of the costs are in global adjustment. Ontario customers are seeing their power costs rise and they require options to proactively manage them.

Does your sector support a well grounded increase? A qualified yes is the response. The broker trader market community in Ontario business has experienced a lot of challenges in providing

value in the market for its customers in its current form. There is a recognized need to retool and this will require systems and funding. However, there is limited appetite without offsetting benefits.

The IESO must first examine what they can live without, Must have without increasing the risk. Our preference is to reallocate resources where necessary and then and only then increase staff in a prudent fashion. The IESO has a good track record of managing costs and the plan indicates a thorough review prior to an increase. If the cost increase is approached in a disciplined fashion that the IESO is known for it will be supported.

The Broker and Trader community thanks the IESO for the opportunity to comment and looks forward to participating in the development of the market roadmap.

Submitted by

Adele Malo and Gary Wight