

**March 2 Stakeholder Advisory Committee meeting
Agenda Item #5**

To: Stakeholder Advisory Committee
From: Ersilia Serafini, Environment Sector
Date: March 2, 2011
Subject: Environment sector's priorities for 2012-2014

Item for table discussion

Each member on the Stakeholder Advisory Committee has been asked to provide their Sector sector's priorities for 2012-2014.

These priorities are those the sector feels are of greatest importance to evolving the electricity market in Ontario, and are within the mandate and control of the IESO and SAC.

Environment Sector

There are three key priorities for this sector:

1. Current operation of the Market – contracted generation v. independent market operation
2. Dispatch of coal
3. Smart Grid Leadership

There are differing views in the environmental sector related to market operation. On the one hand many are happy with the status quo of largely government and OPA contracted generation which favour green generation and feel the needs of the environment sector are met through contracted generation.

The opposing view is that it is important for the IESO to advocate to govern the market in a more independent manner. That is to become a market based on economic principles versus manage government contracts and pricing. In doing so, should the IESO not be bound by government procurement it would be a priority for the environment sector for the IESO to learn from and implement environmental dispatch orders that take into account health and environmental costs.

Specifically, it remains a priority for the environment sector for the IESO to consider establishing a dispatch order to dispatch coal-fired plants last based on health and environmental concerns to complement and reinforce the phase-out of coal over the next few years.

Finally it remains important for the environmental sector that the IESO continue to retain its role and leadership in regards to the Smart Grid and the Smart Grid Forum. The vision for the Smart Grid to enable integration of renewable and provide a clear path for consumers to become more active in managing their energy consumption behavior as well as the promotion of sustainable mobility should continue to be advocated for by the IESO.