

## **IESO Strategic Objectives and Key Initiatives Marketers / Brokers Sector Feedback**

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The Marketers / Brokers Sector appreciates the opportunity to provide our feedback in regards to the IESO Strategic Objectives and Key Initiatives for the next planning cycle. Below please find our comments in response to the five questions posed to each sector by the IESO.

1. Does your sector support the overall direction and intent of the IESO's strategic objectives?
  - a. The Marketers / Brokers Sector supports the IESO's objectives of maintaining reliability, preparing for future operations and efficiently managing its business. In regards to "effectively contributing to the development and implementation of government policy", our sector believes that the IESO needs to particularly focus on the development of government policy. The balkanized network of government power agencies has largely led to the majority of problems the market currently suffers from. The IESO needs to be at the center of planning and advocacy activities to ensure that government investments happen in a manner that does not i) distort market signals, ii) penalize investment capital for contracts that do not reflect the reality of the market place, and iii) remove the ability of loads to manage their own risk.
2. Does your sector continue to support initiatives identified as the IESO's primary focus for the next three years? 1) Renewable Integration, 2) Market Roadmap, and 3) Energy Modeling.
  - a. The Marketers / Brokers sector supports the need for renewable integration. The Market Roadmap is a useful undertaking but will only result in valuable recommendations if it truly reflects the suggestions and inputs of the key stakeholders engaged to participate in that process. Energy modelling is likely required to assist in the renewable integration challenge. If the IESO is going to consider drastic changes to the market design it must include all participants and not only a part of the market that is exposed to wholesale signals. The current market structure does a reasonably good job of reflecting the marginal cost of supply in the province. Sweeping changes in the past have not always had the intended results and our sector would caution the IESO that drastic changes could create as many issues as solutions as well as leading to significantly higher implementation and market charge costs.
3. Is there a strategy or initiative the IESO has identified that your sector would not consider a priority?
  - a. The Marketers / Brokers sector is extremely concerned that the IESO in its new Vision is placing an explicit focus on customers. The appearance is that this focus on customers is coming at the expense of other Market Participants. The IESO, by ensuring a reliable, competitive, efficient and innovative electricity system is naturally empowering customers.

4. Is there something substantial that is not being addressed by the IESO?
  - a. Yes. The Marketers / Brokers sector would like the IESO to be more transparent about transmission loading relief (“TLR”) curtailments. Many TLRs on the Eastern Interconnect appear to be originating out of Ontario with little to no explanation to the market place for the reasons behind such TLR curtailments. The Marketers / Brokers feel the IESO needs to be more forthcoming with information regarding the causes and market design issues that are creating these TLRs.
5. The IESO will be expanding its strategic objectives to include an increased focus on the consumer. From the SACs perspective, what should this include? How would each of the sectors recommend the IESO accomplish this?
  - a. As noted in question 3, the Marketers / Brokers sector remains very concerned about this focus on only one sector of the market. Our belief is that the clearest manner to focus on the customer is to create a competitive, efficient electricity system. Furthermore, loads must be able to manage their own capacity and energy requirements in place of a centrally controlled entity that forces costs on customers. If the consumer suffers, it is from an inability to manage their own affairs. Most centrally planned power pools in the Eastern Interconnect allow loads to manage their own capacity and energy requirements.