

Market Development Advisory Group (MDAG) Workplan Proposed Market Development Project Valuation Assessment

Purpose:

The completion of this assessment is required to support proposed market development projects for consideration by the IESO and MDAG for prioritization. The information in this assessment will help determine whether the project submitted is aligned with the goals and objectives of the MDAG, including: system reliability, regulatory needs, and/or meaningful market efficiency benefits.

Instructions:

Please complete this form in full to identify potential market development projects that will be considered by the IESO and MDAG for prioritization.

Stakeholders are asked to complete this project valuation assessment and return the form to engagement@ieso.ca by **August 20, 2019** and will be offered the opportunity to present at the August 29 MDAG meeting.

Please note that potential market development projects submitted must, at a minimum, satisfy the criteria in section 1 - "Alignment with MDAG vision" - to be considered further. The IESO will review answers in section 1 of this assessment to verify whether the project submitted is aligned with IESO Markets goals and objectives.

Disclaimer:

Receipt of a potential market development project through this assessment for consideration and prioritization in the MDAG Workplan does not constitute a commitment by the IESO to support the proposed project, nor does it create a business relationship between the stakeholder, its partners, affiliates, or related parties, and the IESO.

All information submitted in the proposed market development project will be treated as non-confidential unless clearly labelled as confidential by the applicant. The IESO reserves the right to make public the names of applicants, the title and a description of their proposed project.

A. Key Information

Project title:	
Organization:	
Organization representative and title:	
Mailing address:	
Phone:	
Email:	
Date:	

B. Project Description

Use the area below to explain the concept and objectives of this project.

1. Alignment with MDAG vision

All proposed market development projects must demonstrate that they are required for system reliability, meet regulatory need, and/or deliver meaningful market efficiency benefits (deliver system cost savings). Proposed projects that meet these criteria will be further assessed according to information provided in sections 2-5. Projects that do not meet these criteria in section 1 will not be evaluated further.

A. Can the proposed market development project demonstrate that it will maintain system reliability, meet a regulatory standard or decision in Ontario, or deliver cost savings?

- i. Will the proposed market development project contribute to system reliability?**
 Yes No

Explain:

- ii. Is the proposed market development project required to meet a regulatory requirement in Ontario?**
 Yes No

Explain:

iii. Is the proposed market development project expected to deliver system cost savings?

Yes No

Explain:

B. Will the proposed market development project require design changes to the IESO Administered Markets?

Yes No

Explain:

C. Is the proposed market development project aligned with IESO's market development principles of competition, transparency, efficiency, certainty, and implementability?

i. Does the proposed market development project align with the market development principle of competition?

Yes No

Explain:

ii. Does the proposed market development project align with the market development principle of transparency?

Yes No

Explain:

iii. Does the proposed market development project align with the market development principle of efficiency?

Yes No

Explain:

iv. Does the proposed market development project align with the market development principle of certainty?

Yes No

Explain:

v. Does the proposed market development project align with the market development principle of implementability?

Yes No

Explain:

2. Reliability Impacts

The purpose of this section is to understand the impact of the proposed market development project on system reliability.

A. Provide a high level overview of how the proposed market development project impacts reliability.

Explain:

B. Will the proposed market development project help reduce the risk of loss of load events?

Yes No

Explain:

C. Will the proposed market development project help alleviate constraints on the system?

Yes No

Explain:

D. If “Yes” was answered to either 2B, or 2C, expand whether reliability impacts are expected to be local, zonal or system wide?

Local Zonal System wide

3. Market Efficiency Impacts

The purpose of this section is to understand potential market efficiency impacts of the proposed market development project across various components of the IESO Administered Markets over the short term and long term.

A. How will this proposed project improve the efficiency of Ontario's wholesale energy market in the short term (1-2 years)?

Any information on the materiality of the impact will be helpful, in addition to clarification on which component of the wholesale market design this proposed market development project will impact, e.g. OR, RT, DR etc.

B. How will this proposed market development project impact the efficiency of the wholesale energy market post Market Renewal implementation?

Any information on the materiality of the impact will be helpful, in addition to clarification on which component of the wholesale market design this proposed market development project will impact, e.g. OR, RT, DR etc.

C. What impacts will the proposed market development project have on system flexibility?

Explain:

D. How will the proposed market development project enable greater wholesale market participation?

Explain:

E. Overall, how will this proposed market development project increase the competitiveness of the Ontario wholesale market?

Explain:

4. Risk Assessment

The purpose of this section is to identify risks that may impact the value proposition of the market development project, and to understand how these risks might change over the short term and long term.

- A. Identify potential risks that could impact the value proposition of the project.**
Note that risks identified in 4A will be used to complete the risk assessment in section 4B, C and D.

Identify potential risks to the project:

Risk over time

- B. Are the risks identified in section 4A expected to change over the next 1-2 years?**
 remain unchanged decrease increase

Explain:

Impact on project

C. Are the risks identified in section 4A expected to change post Market Renewal implementation?

remain unchanged decrease increase

Explain:

D. Are there ways that risks identified in section 4A could be mitigated cost effectively?

Explain:

5. Implementability [This section is to be completed by the IESO]

The purpose of this section is to determine whether the proposed market development project submitted is feasible and practical for the IESO to undertake.

A. What are the IESO internal constraints in terms of capital and personnel to deliver on the proposed market development project?

B. How long does the IESO estimate the proposed market development project will take to implement?

< 1 year 1 to 3 years > 3 years

Explain:

C. Is the proposed market development project feasible and practical for the IESO to begin implementing in the short, medium, or long term?

< 2 years 2 to 5 years > 5 years

Explain:

D. Are there linkages to other potential or ongoing projects?

Yes No

If "Yes" provide further explanation:

Please submit the completed project valuation assessment to engagement@ieso.ca