



## Progress so far

In the fall of 2018, the IESO released high-level designs, which provide a blueprint of the key elements of each market renewal initiative. At this point, the market renewal team is facilitating work on the detailed changes – to tools, processes and market rules – required to implement the designs. These initiatives are projected to come into service in the early 2020s.

The Market Renewal Program represents the most significant suite of reforms since the market was designed in the late 1990s.

It will help to ensure that Ontarians have a stable and reliable supply of electricity at the lowest cost while those working in the sector can rely on a robust market that is prepared for whatever the future may hold.

## For more information

For more information on the Market Renewal Program, visit [ieso.ca/market-renewal](http://ieso.ca/market-renewal).

To participate in upcoming engagement opportunities, email [engagement@ieso.ca](mailto:engagement@ieso.ca) or subscribe to the Bulletin, IESO's weekly newsletter [ieso.ca/subscribe](http://ieso.ca/subscribe).

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## Getting ready for the future

Market renewal initiatives are focused on:

- Ensuring prices reflect actual system conditions, delivering **efficient** outcomes and lowering costs through improved price signals.
- Optimizing how electricity is scheduled and dispatched to provide greater operational and financial **certainty**.
- Improving how Ontario acquires electricity resources to meet supply needs while encouraging **competition** that will drive down costs.



## Collaborative approach

Since 2016, stakeholders and the IESO have worked together to design the new electricity markets. Across a variety of forums, the IESO and stakeholders impacted by changes to the markets have had the opportunity to help ensure that market renewal will deliver solutions that work for the sector and consumers.

# Creating the Electricity Marketplace of Tomorrow





## Today's Electricity Markets

The Independent Electricity System Operator ensures the reliability of Ontario's power system on behalf of all Ontarians. As part of our unique and critical responsibilities, we work with stakeholders, government, Indigenous and other communities to provide an efficient supply of electricity when and where it is needed.

The wholesale electricity markets are nearly 20 years old and while important design improvements have been made over the years, more foundational changes are now required.

Back in 2002, electricity mostly came from a combination of coal, hydro and nuclear and consumers did not have many tools or technologies to understand or manage their use of this resource. Since then, new technologies have emerged, the use of coal has been eliminated, the pace of change has increased, customers are more engaged and supply and demand is increasingly unpredictable.

The electricity markets need to keep up with dramatic sector-wide developments to ensure we are meeting the needs of those operating in the electricity sector and maximizing value for consumers.



### The need for change

Market renewal is about making changes so the electricity markets can function more effectively.

It's about fostering competition

by breaking down barriers and broadening participation with energy suppliers and introducing new ways to adjust to the province's evolving supply-demand dynamics to secure resources at the lowest cost. It's about ensuring there is enough electricity to meet future needs, and that prices better reflect system costs.

While the continuing pace of change makes it hard to predict a precise future for the electricity sector, one thing is certain: technology is fundamentally changing the way electricity is produced and consumed.



### Benefits of the Market Renewal Program

In 2019, the IESO conducted an analysis to assess the potential

benefits of market renewal. And while we will continue to explore the benefits of these and future changes, that analysis suggested the first set of market renewal initiatives will realize more than \$1 billion in system and customer benefits over a 10-year period.

## Market Renewal Program

Market renewal will deliver a more efficient, stable marketplace with competitive and transparent mechanisms that meet system and participant needs at lowest cost.

