

Proposed Working Model for MPWG Discussions of Market Efficiencies and Business Case Requirements



Background:

1. IESO believes that resolution of the pricing issues before the MPWG and the resulting changes to the market should be on the basis of improving market efficiencies.
2. Market participants and the IESO believe that justification of these changes requires a “business case” analysis.
3. IESO believes that, at a minimum, all stakeholders and the IESO need to have a common understanding of what “improving market efficiencies” means and the required elements of a “business case”.
4. IESO believes that different stakeholder sectors are starting from different levels of knowledge and expertise and have a different level of resources to apply to MPWG activities.
5. Discussions at the MPWG have, at times, been heated and acrimonious, split along consumer and supplier lines.
6. It is imperative that all MPWG members:
 - have access to the same information;
 - have equal opportunity to express their views and identify issues; and
 - are fully aware of the views and issues of other members.

Proposal:

1. MPWG discussions on market efficiencies and business case requirements to be held on a sector basis. The two sectors would be (i) a consumer sector comprising industrial, commercial and residential consumers, LDCs and retailers; and (ii) a supplier sector comprising of generators and intertie traders.
2. IESO staff would meet with each sector group separately to discuss market efficiencies and business case requirements. The same information would be presented and discussed with each sector. The IESO will publish all the information presented and discussed at each sector meeting and distribute that information to all MPWG members.
3. Meetings with each sector would be held on same day with each sector alternating between morning and afternoon. There would be a plenary session of the entire MPWG in between the sector meetings and a shared lunch.
4. For the time being, plenary sessions would be used to discuss the pricing issues before the MPWG e.g. peak vs average, and to present general information items e.g. monthly pricing events reporting.
5. Sector based meetings would start at the April 3rd, 2007 MPWG meeting: consumer sector in the morning, followed by the plenary meeting and then the supplier sector meeting in the afternoon.
6. IESO would prepare notes for each sector meeting and distribute sector meeting notes first to sector meeting attendees to confirm accuracy, and then to all MPWG members.
7. The IESO would develop and distribute plenary meeting notes as per the current process

8. Depending on MPWG feedback regarding those sector meetings, we would continue until there appears to be a common understanding of what “improving market efficiencies” means and the required elements of a “business case”. There would then be plenary meeting of the MPWG to confirm the common understanding of what “improving market efficiencies” means and the required elements of a “business case”.