

2008-2010 Business Plan Priorities & Proposed Initiatives

IESO Stakeholder Advisory Committee
June 6, 2007



- Provide opportunity for “early” stakeholder advice into IESO business planning for 2008-10
- Outline next steps

Key Dates:

- Complete Business Plan August 2007
- IESO Board Review/Approval September 2007
- File Business Plan with Minister by Oct. 2, 2007
- Submit Business Plan to OEB by Nov. 1, 2007

Some Participant Survey Findings

- A large number of respondents consider themselves to be customers of the IESO.
- Customer service was most often cited the source of greatest value from IESO customers.
- Some concern over volume of emails and level of administration to participate in market.
- Ranked IESO high in performance of most identified services - lowest rankings (relatively speaking) in stakeholder engagement, managing fiscal resources, and improving market participant transactions.

Mission

*Our purpose as an
Organization*

Our mission is ...

To act in the interests of the people of Ontario to provide reliable, competitively-priced and sustainable electricity service

What it means:

Our principal interest is the public good. We will work broadly in the electricity sector as an operator, a leader and an influencer to see that electricity works for Ontario, right now, and into the future. We will stay focussed on reliability, price and environmental responsibility of electricity service as we work with our participants and stakeholders to realize a market vision.

- Delivering reliable supply of electricity on demand;
- Providing value in all our services and products;
- Developing Ontario's electricity market through evolution of the IESO-administered markets;
- Responding to the needs and concerns of our stakeholders; and
- Earning the trust of all stakeholders as a just administrator and capable advisor.

- Key capital projects:
 - relocation of back-up operating centre
 - upgrade to extend life of Energy Management / Market Interface Systems (EMS/MIS)
 - scoping work for on-line limit derivation project

Key Corporate Capital Projects

Current Plan 2007-2009

Day Ahead Market

Windows Refresh

EMS/MIS

Unix Refresh

Backup Op Centre

Facility Outage Mgt System

Customer Information System

\$16.8 Million in 2007

Proposed Plan 2008-2010

Day Ahead Market

\$8 million in 2008

Windows Refresh

Complete 2008

Complete 2007

Unix Refresh

Complete 2008

Complete 2007

Complete 2007

Removed

NERC Critical Infrastructure Project

NEW (\$0.4 million)

Network Zoning

NEW (\$0.8 million)

On-line Limit Derivation

UPRATED (\$2.5 million)

Participant Life Cycle Replacement

UPRATED (\$1.5 million)

\$11 million in 2008

Identified Key Corporate Capital Project - Descriptions

Program/Initiative Name	Description
Day-Ahead Market	An appropriate Day-Ahead Market or other day-ahead mechanisms for Ontario per process described in SE-21.
Windows Refresh	Replace aging server infrastructure (hardware & software) with new MS Windows Server 2003 infrastructure.
Unix Refresh	Ongoing replacement of aging UNIX server infrastructure to improve availability and reduce support & maintenance costs.
NERC Critical Infrastructure Project (CIP)	Capital expenditures related to satisfying mandatory NERC CIP standards coming into force in 2008 and 2009.

Identified Key Corporate Capital Project - Descriptions (cont'd)

Program/Initiative Name	Description
Network Zoning	Improve IESO IT security arrangements and increase level of network isolation via network segmentation (consistent with evolving NERC CIP Standards).
On-line Limit Derivation	Fully integrated on-line limit derivation software to replace manual on- and off-shift limit derivation.
Participant Life Cycle Replacement	Replacement and improvements of the system which serves as the primary repository of market systems critical participant data. Will improve handling of information currently stored in other registration databases.

Other Identified Programs & Initiatives For 2008 and Beyond

Program/Initiative Name	Description
Outbound Report Management System Upgrades	Deliver an upgrade of the functionality of outbound reports to the public and to market participants.
Application Changes/VCR's	A funding envelope, to support minor changes to IESO applications.
Infrastructure Enhancements/Replacement	Orderly upgrade and/or replacement of software and hardware supporting IESO operations.
OPA Demand Response Program (support)	Systems to support operation and settlement of OPA Demand Response programs.
Various Security Improvements	Various improvements to facilities and IT infrastructure to improve physical and cyber security.

Other Identified Programs & Initiatives For 2008 and Beyond (cont'd)

- Continue to maintain and enhance IESO technical capabilities needed to address Ontario's supply mix and demand profile changes.
- Ensure sufficient capability to conduct the connection and reliability assessments required for expected changes to the Ontario power system over the next 10 yr.
- Enable demand response by ensuring that the right information is provided to the right consumers at the right times to facilitate their effective use of the IESO-administered markets.
- Continue to support and promote an industry-wide benchmarking of ISO/RTO costs.

Other Identified Programs & Initiatives For 2008 and Beyond (cont'd)

- Partner with local distribution companies and trade associations to provide Smart Metered consumers with the information and tools they need to better manage their electricity costs.
- Intervene in all “leave to construct” applications submitted by market participants to the OEB in providing impartial reliability and market impact assessments of proposed projects.
- Continue to make more accessible the vast amount of data and market and system information available on our website.

- June 20, 2007 Closing date for Stakeholder feedback on IESO planned initiatives
- June 22, 2007 Posting to web of stakeholder feedback on IESO planned initiatives
- Aug. 22, 2007 Presentation to Stakeholder Advisory Committee of draft Business Plan and of feedback from SAC

Your Advice and Input Is Requested

Submit written advice to stakeholder.engagement@ieso.ca