

Terms of Reference

Demand Forecast Deviations Working Group



1. Introduction

The IESO uses a similar day forecasting method to develop both day-ahead and day at hand demand forecasts. Demand forecasts impact unit commitment and/or transaction decisions made by both the IESO and market participants. They also provide operational decision-making information to participants. Improving the accuracy of demand forecasts will improve the efficiency of unit commitments. This will provide greater assurance that these resources will be available and online in real-time to satisfy reliability needs in Ontario.

This Terms of Reference for the Demand Forecast Deviations Working Group was prepared to ensure a mutual understanding of objectives and process. This working group has been established to review the demand forecast methodologies used in various time frames and to assess the deviations which have resulted using this forecast methodology.

The working group will provide advice to the IESO staff. The resulting discussion papers, background information and other material may be used by staff to consult more broadly on policy issues through the Stakeholder Advisory Committee and other stakeholder forums. The results of this broad consultation are used in advising the IESO Board and in supporting the IESO Technical Panel on market policy and rulemaking.

More information on demand forecasting can be found in Market manual 7.2 – Near-term Assessments and Reports at:

http://www.theimo.com/imoweb/pubs/systemOps/so_NearTermAssessReport.pdf

2. Purpose

The Demand Forecast Deviations Working Group will provide stakeholders the opportunity to include detailed working level input in an efficient and timely manner and to provide advice directly to the IESO. This advice may be used by the IESO to revise procedures, protocols and/or market rules as required. This advice may also be used to develop user requirements and business case input for the procurement and/or development of demand forecasting software applications.

All issues identified to the Working Group may not be solved in this Working Group. Some of these issues may be assigned to adhoc or existing working groups.

3. Objective

This Working Group will provide affected stakeholders with the opportunity to:

- Discuss and examine ways to improve the IESO's day-ahead and the day-at hand demand forecast performance.
- Identify and provide advice on potential solutions through analysis and discussion.
- Review the demand forecast methods used today and assess the deviations which have resulted from these methods.

4. Deliverables

The working group will meet as required in order to meet the timeline associated with the stakeholder engagement plan. The key deliverables of the working group include the following:

- Provide periodic updates on the progress of the working group to the Stakeholder Advisory Committee
- Provide recommendations relating to forecast accuracy improvements to the Stakeholder Advisory Committee including a cost benefit analysis associated with the recommendations

5. Composition

To ensure efficiency and meet time constraints, the IESO may limit the number of market participants directly involved in the working group.

It is proposed that the Working Group consist of up to two Market Participants from each directly affected sector (generators, marketers and price sensitive consumers). The IESO will seek participants from each of these sectors. The IESO will use specific selection criteria in seeking participants. The selection criteria will include direct impact on the Market Participant, overall knowledge of the market, ability to assess impacts of the processes on their sector, and prior experience/involvement in market design initiatives.

Each participant will be limited to two representatives directly participating in the Working Group meetings. Space permitting, up to two additional people per Market Participant will be allowed to attend the meetings to observe the proceedings.

While the direct meeting participation may be limited, all presentations and meeting minutes will be posted on the web site.

6. Organization and Administration of Meetings of the Working Group

- (a) IESO staff will chair the Working Group.
- (b) The Chair will ensure all meeting support material is circulated in advance to Working Group members via email, and posted. The intent is to provide meeting materials one week in advance along with a draft agenda. The agenda will state the expected Working Group action for each agenda item.
- (c) Attendance may be in person or via teleconferencing facilities. Participation is voluntary. There is no minimum quorum however if attendance is low for a planned meeting, then the Chair may postpone the meeting.
- (d) The Chair, or a delegate, will take meeting notes including actionable items and their resolution. Draft meeting notes, including any accompanying written submissions, will be distributed to all Working Group members within one week following a meeting. Working Group members may provide comment on the draft meeting notes to the Chair, prior to or at the next working group meeting. The Chair will finalize the minutes and will then distribute the minutes and related written submissions to the Working Group members and will post those materials on the IESO web site.
- (e) The chair may act as the facilitator for the meeting, or a separate independent facilitator may be used.
- (f) The Working Group will adhere to the stakeholder engagement principles:
<http://www.ieso.ca/imoweb/pubs/consult/se/Stakeholder-Engagement-Principles.pdf>
- (g) All members are expected to come prepared to the meeting by having reviewed the materials provided in advance.

7. Normal Order of Meeting

- (a) The Chair shall ask attendees to introduce themselves to determine who is present, including those participating remotely.
- (b) The Chair will recap the notes of the previous meeting and deal with any outstanding action items.
- (c) The Chair shall note any new items that are on the agenda in the order that they appear on the agenda. Working Group members may request for additional items to be added under new business on the agenda.

- (d) **Comments or concerns raised by stakeholders shall be written on flip charts for all in attendance at the meeting to see, or captured in the meeting notes. The Chair, moderator, facilitator, or note-taker should seek confirmation that the notations or notes accurately summarize the comments/concerns.**
- (e) **All members' comments will be documented in the notes and posted. The Chair will inform members that all views will be fully communicated to decision makers prior to decisions being made.**

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