

### I. Introduction

November 2, 2007: posted as final. No comments received from Stakeholders. Only change is “Smart Metering Administration Charge” has been changed to Smart Metering Charge

On July 26, 2007 the IESO was designated the Smart Metering Entity (SME) by **Ontario Regulation 393/07 (“DESIGNATION OF SMART METERING ENTITY”)** made under the *Electricity Act*. (Reference [http://www.elaws.gov.on.ca/html/source/regs/english/2007/elaws\\_src\\_regs\\_r07393\\_e.htm](http://www.elaws.gov.on.ca/html/source/regs/english/2007/elaws_src_regs_r07393_e.htm) <[http://www.e-laws.gov.on.ca/html/source/regs/english/2007/elaws\\_src\\_regs\\_r07393\\_e.htm](http://www.e-laws.gov.on.ca/html/source/regs/english/2007/elaws_src_regs_r07393_e.htm)> )

The IESO is proposing a rule amendment that would allow the ‘**Smart Metering Charge**’ to be administered using the existing IESO Settlement Clearing Account. The structure and rates for the **Smart Metering Charge** are subject to external regulation and therefore outside the scope of this proposed IESO market rule amendment.

#### Background

To create a conservation culture in Ontario and become a leader in energy efficiency, the Ontario government is committed to install a smart electricity meter<sup>1</sup> in 800,000 homes and small businesses by 2007 and throughout Ontario by 2010.

On July 26<sup>th</sup>, 2006, The Ministry of Energy entered into an arrangement with the IESO to support the government’s Smart Metering Initiative by coordinating and project managing implementation activities. This support specifically pertains to the delivery of the meter data management / meter data repository (MDM/R) functionality, including all interfaces between the MDM/R and local distribution companies’ smart metering and customer information systems. More details can be found at: [http://www.smi-ieso.ca/SMSIP\\_Working\\_Groups/](http://www.smi-ieso.ca/SMSIP_Working_Groups/) and on the Ministry of Energy’s web site at: <http://www.energy.gov.on.ca/index.cfm?fuseaction=electricity.smartmeters>

The IESO as the Smart Metering Entity will be responsible for the administration and operation of the MDM/R, including the collection, validation, estimation and the ability for distributors to edit the meter read data from each distributor’s smart meters. The SME will also frame this data for the distributors for billing purposes. Each distributor would enter into a uniform agreement with the SME that would establish, among other terms governing the services, the obligation of each distributor to pay the SME for its services. Between the Ministry of Energy and the OEB both the structure and the specific rate to be charged for these SME services will be established and approved. The charges for the services provided by the SME through the MDM/R will be called the ‘**Smart Metering Charge**’ (SMC).

---

<sup>1</sup> A smart meter tracks how much electricity is used and when it is used - key information to help a consumer better manage electricity use. In Ontario, all homes and businesses will be equipped with smart meters by the end of the decade. The Ontario Energy Board (OEB) has established a set of rates for smart meters users that allow consumers to shift their electricity use to take advantage of lower prices during off-peak hours. These rates take into account pricing trends in the electricity wholesale market (when demand is higher, prices tend to be higher).

## Purpose for Stakeholder Engagement

The IESO has identified a need for a [market rule amendment](#) to allow for the use of the IESO Settlement Clearing Account for the **SMC**. The proposed amendment would allow the IESO to instruct the bank to debit the IESO-administered markets Settlement Clearing Account only for the amount received from the distributors as payment of the **SMC** and deposit those funds in an IESO operating account.

The IESO is seeking feedback on the proposal to use the existing wholesale market process and on the proposed rule amendment discussed above.

## II. Stakeholders

The [market participants](#) registered as distributors<sup>2</sup> with the IESO are directly impacted by the enabling of the addition the **Smart Metering Charge** to the existing, settlement, invoicing and payment processes. Any other [licensed distributor](#) not registered with the IESO will also be impacted as they will have to enable the receipt of settlement statements, invoices and the making of payments to the IESO for their SMAC.

This stakeholder initiative is open to any other stakeholders who may wish to comment on the proposal.

## III. Stakeholder Engagement Goals and Objectives

### Goals

The goal of this stakeholder plan is to gather stakeholder feedback on the proposal to use the existing wholesale market settlement to process the administrative charge for Smart Metering.

### Objectives

1. To provide feedback to the IESO through the [Technical Panel](#) and the market rule amendment process

## IV. Stakeholder Engagement Approach and Methods

The implementation of this stakeholder engagement plan will be in accordance with the IESO's approved [stakeholder engagement principles](#). The stakeholder plan will be subject to review and update as the process evolves and stakeholder comments are incorporated, and as revisions are warranted.

The stakeholder engagement approach will be feedback — with request for stakeholder review and written feedback.

The stakeholder engagement method to be employed will be through the Technical panel and web-based posting.

---

<sup>2</sup> Distributors are the local distribution companies (LDC) which take electricity from the IESO-controlled grid and distribute it to retail consumers. Distributors deliver electricity directly to retail consumers and are compensated by payments made to them by their own customers. The Ontario Energy Board is responsible for issuing licences and regulations for distributors.

Web-based postings provide all interested stakeholders with an efficient low-cost method to be informed of the proposed changes with the opportunity to communicate their views via e-mail to the IESO ([stakeholder.engagement@ieso.ca](mailto:stakeholder.engagement@ieso.ca)). All stakeholder input, including dissenting views, will be posted on the IESO website.

All feedback from stakeholders will be considered prior to any management decision. This stakeholder plan provides all stakeholders with the opportunity to communicate their views and positions directly to the IESO in advance of any recommendation to move forward with a market rule amendment.

## V. Decision Making Process

Stakeholder Engagement Schedule	
Activity	Target Date
1. Post and Communicate stakeholder plan.	August 9, 2007
2. Closing date for stakeholder written submissions on stakeholder plan.	August 30, 2007
3. Post IESO response to stakeholder written comments on stakeholder plan.	September 6, 2007
4. Technical Panel meetings to discuss market rule amendment.	August and September
5. IESO Board meeting for approval of market rule amendments.	TBD
6. Posting of IESO Board Decision.	TBD