

Export Transmission Service Tariff Study (SE-78)

Stakeholder Feedback (6 responses)



Question 1 on the survey was Name, Company, Department.

2. Were you provided with meaningful and timely opportunities to provide input into the final outcome?
 - a. Strongly Agree = 1
 - b. Agree = 3
 - c. Disagree = 0
 - d. Strongly Disagree = 2

3. Was the appropriate method used for stakeholder engagement for this process to reach the final outcome?
 - a. Strongly Agree = 0
 - b. Agree = 4
 - c. Disagree = 0
 - d. Strongly Disagree = 2

4. Was the stakeholder engagement input transparent and were the steps clearly defined at the outset?
 - a. Strongly Agree = 0
 - b. Agree = 2
 - c. Disagree = 1
 - d. Strongly Disagree = 2

5. Were your views fully communicated to IESO management prior to the final outcome?
 - a. Strongly Agree = 0
 - b. Agree = 4
 - c. Disagree = 0
 - d. Strongly Disagree = 2

6. Within the context of providing effective stakeholder engagement processes, was care taken to make this process as simple as possible with minimal costs to you?
 - a. Strongly Agree = 0
 - b. Agree = 6
 - c. Disagree = 0
 - d. Strongly Disagree = 0

7. Was stakeholder input used to develop options that attempted to facilitate resolution of differing points of view?
 - a. Strongly Agree = 1
 - b. Agree = 4
 - c. Disagree = 1
 - d. Strongly Disagree = 0

8. I was an equal team member and no one person, company, or association had undue influence on the process or the final outcome.
 - a. Strongly Agree = 0
 - b. Agree = 4
 - c. Disagree = 1
 - d. Strongly Disagree = 1

9. Comments / Suggestions
 - Q4: I'm not sure what this question is asking me. Q5: I selected Strongly Disagree because I have no basis to answer this question. In the communication released by the IESO announcing the status-quo no consideration of stakeholder input was made. It appears that in this instance the IESO mgmt unilaterally decided the outcome regardless of stakeholder input. Conveniently, this time mgmt opinion aligned with stakeholders.
 - For a stakeholder engagement process to have integrity, it must be transparent from beginning to end. This process was transparent all the way through to when the IESO held a final conference call to provide its analysis and recommendation. After this call, a completely opaque process took over, the recommendations were reversed and issues that were earlier stated to be manageable became problematic. Moreover, the IESO accepted funding for part of the study from a party with a clear interest in influencing the outcome, which was ultimately to the benefit of said party. This stakeholder process brings into question the value of any customer participation, when the IESO clearly sees its role as serving the needs of generators first.
 - The IESO used participants to give input on creating a model for forecasting. Once it was created and input for comments/concerns was given the decision making for the recommendation was taken and there wasn't a forum for participants to give feedback or give support for another option, it was decided upon and then we were informed which option they took (we gave input and comments and later the recommendation was changed). There should have been a meeting before the IESO made their initial recommendation for participants to meet and discuss which option they are leaning toward so we can analyze it together (we had no idea which option they were thinking of or favouring until the recommendation was taken; even though most of the evidence appeared to make that recommendation less obvious to us).
 - I did not participate actively throughout the entire Stakeholder Process. As result, my response to question #8 simply reflects the fact that we were provided with an opportunity participate.

- As Consultant for the Vulnerable Energy Consumers Coalition (VECC) I am writing in response to the IESO's request for feedback on the stakeholder process it carried out with respect to the Export Transmission Tariff Study (SE-78). Attached is a completed copy of the survey distributed on September 9th. As the IESO is aware, due to resource constraints, my client was unable to participate fully in the process (e.g. attend meetings, etc.). However, we commented on the initial terms of reference; monitored the progress of the study and participated in the conference call which reviewed the results of the study as submitted to IESO management.

As you can see from the attached survey we have serious concerns about the stakeholder process that was carried out. These concerns are directly related to the manner in which the final recommendations made by the IESO were arrived at. Up to August 10th, 2009 we were fairly satisfied with the stakeholder process in that there was an established framework for addressing the issues raised by Export Transmission Tariffs, the IESO attempted to address issues raised by parties during the process and the conclusions of the study reflected the results of the quantitative and qualitative analysis undertaken. Furthermore, an opportunity was provided on August 10th for parties to comment and clarify the basis for the conclusions reached.

Our concerns are specifically with the post-August 10th process and the fact that the IESO's final recommendations were fundamentally different from the conclusions reached by the study. We recognize the prerogative of the IESO management to make a recommendation that differs from the results of the Study. What we have difficulty with is the fact that virtually no explanation was provided in the report as to why the two factors listed (surplus situations in low load periods and an increasingly volatile supply/demand balance) were sufficiently compelling to dismiss the findings of the Study. There were no further stakeholdering opportunities for parties to understand the rationale for the 180 degree change in direction.

In our view there are several outstanding issues that should have been addressed through further stakeholdering. For example, with regard to the "surplus situation", it is not clear why this is a "new issue" when the Study itself concluded (page 23) the emerging surplus was manageable under all the alternatives considered. Furthermore, options presented to the IESO to address this problem within the context of fully embedded rates (such as TOU pricing for Export Transmission Tariffs) were not explored. Similarly, with respect to increasing "supply/demand volatility", it is not clear why the level of exports (as suggested by the recommendations) is important as opposed to the ability of the IESO to "dispatch" exports to address real time changes in supply, and there has been no opportunity to clarify this question. There is also the matter of exports associated with "linked wheels" where there is no net effect on Ontario's internal supply/demand balance.

In our view, the lack of any stakeholdering of the final recommendation has severely undermined the value all of the stakeholdering that took place up to August 10th, 2009. It also means that there is little formal documentation to substantiate the IESO's recommendation with respect to Export Transmission Service Tariffs. For this reason, I have copied both Hydro One Networks and the Board Secretary so that they will both be aware of our concerns as they are confronted with the IESO's recommendation.

Thank you for the opportunity to provide feedback.