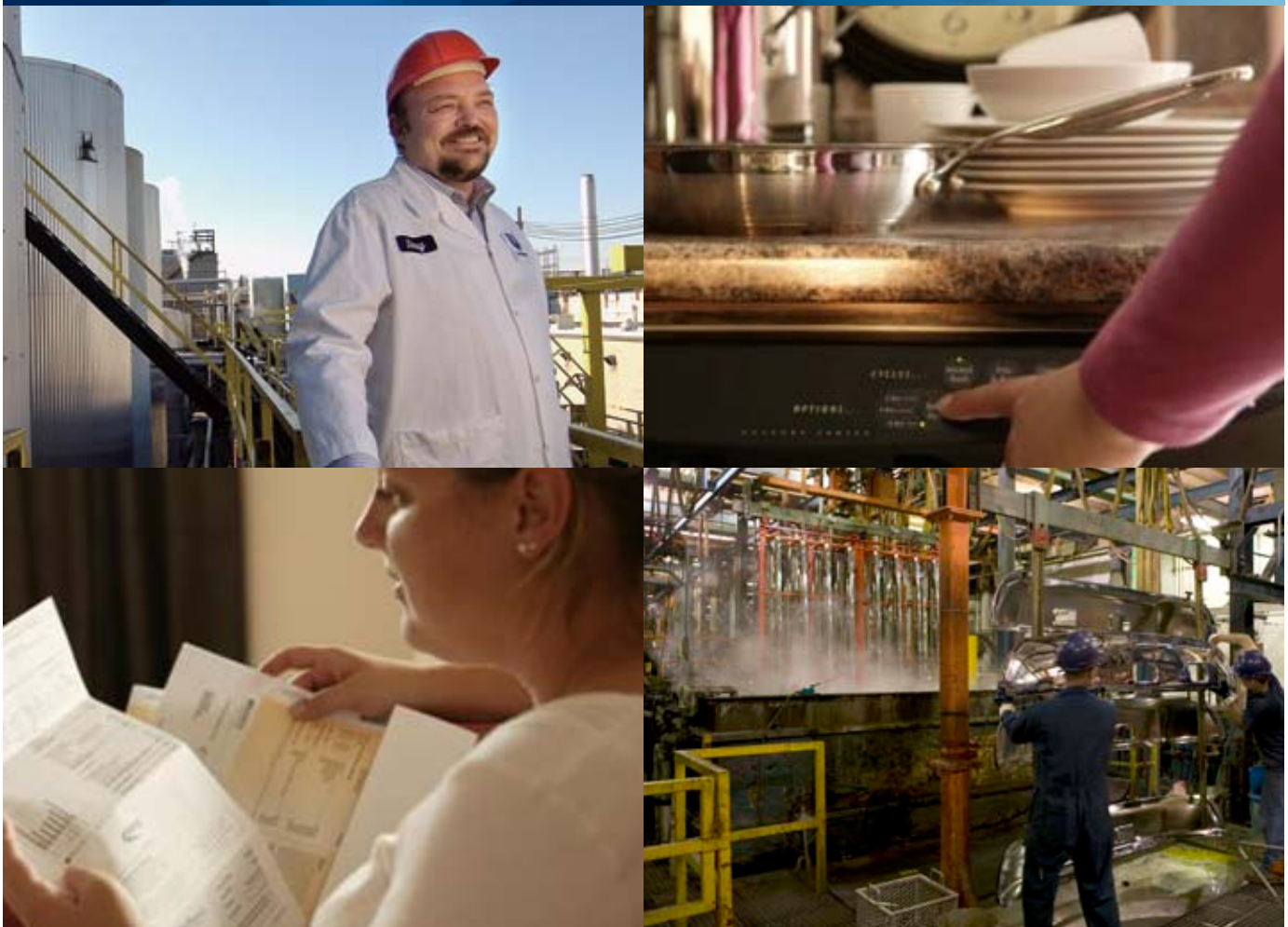


Report of the IESO Consumer Forum 2009



Power to Ontario. On Demand.

The IESO Consumer Forum

The IESO utilizes a number of broad-based and proactive initiatives designed to engage the various sectors of electricity consumers across Ontario including commercial, industrial, public service and residential customers.

Overall program objectives include:

- promoting awareness among electricity consumers in Ontario about electricity sector issues and the IESO's plans and activities to address such issues;
- creating an environment conducive to learning the issues, discussing efforts to address these issues and identifying the potential impacts on consumers;
- helping electricity consumers in Ontario provide feedback and input into the IESO's plans and activities; and
- providing consumer representatives on the Stakeholder Advisory Committee with a mechanism for more efficiently and effectively gathering consumer input.

The first annual Consumer Forum report was released in 2009 highlighting the various activities undertaken to meet the program's four key objectives. Based on the program's success to date, the IESO will continue its initiatives throughout the year, reporting back on the program's activities in its 2010 annual report.

Report of the IESO Consumer Forum 2008



Engaging the Public Sector, Business & Industry and Associations

Market Research Findings

The IESO undertook market research in 2009 with public sector, business and industry consumers paying the market price of electricity to determine the information and education these consumers need to understand their electricity costs and how to manage them.

The research concluded that the number one priority for business and industry consumers is cost reduction. The majority of consumers, particularly in larger companies, understood that a more focused approach to energy management would assist them in making their business more competitive.

Additional research findings concluded that:

- there are no diminishing returns on education or knowledge – the more people know about energy management, the more they want to know;
- larger consumers understood their electricity bill but were looking for more information on how the components of the bill are calculated;
- as business, industry and the public sector seek to enhance their knowledge of energy issues, their preference is to look to one source for all information on training, programs and energy management incentives; and
- the public sector generally understands the importance of energy management but is looking for more support from government agencies to help them control costs and effectively reduce consumption.

The results of this market research have given the IESO a better understanding of the information, education and knowledge needs across the various consumer sectors. The IESO can now draw on these findings as it continues to prepare tailored educational materials on energy management, electricity pricing and cost reduction case studies.

Market Education

The IESO's market education program for 2009 promoted understanding of the electricity system to customers paying market-based electricity prices. Education efforts were focused on three priority areas:

- helping customers understand the fundamental workings of the electricity market including how the price is set and factors that affect price;
- demonstrating how consumer actions to manage electricity use can contribute to system reliability and help the environment; and
- equipping consumers with the knowledge they need to better manage their electricity bills.

Market education initiatives were directed at public sector and industrial electricity users through partnerships with industry and trade associations.

Engagement with the Public Sector

The market education program in 2009 focused on preparing public sector consumers for the transition to market prices. Public sector customers that consume more than 250,000 kilowatt-hours (kWh) per year or have a peak demand in excess of 50 kilowatts (kW) were transferred to market-based electricity prices on November 1, 2009.

The transition included municipalities, universities, colleges, schools and hospitals as well as other publicly funded consumers such as long-term care homes, charitable institutions and larger cultural organizations. The IESO reached out to all parts of the public sector to ensure their awareness of, and preparation for, the transition.

As part of this outreach, the IESO partnered with a number of organizations throughout the year, including the Region of Peel, with whom the IESO co-hosted the Fifth Annual Energy Matters Summit conference. The conference theme, “The Bottom Line on Energy Management,” explored the various products and solutions needed for the public sector to make sound energy management decisions. Over 350 delegates attended the event.

The scope of this conference broadened beyond municipalities in 2009 to embrace all parts of the public sector including universities, schools and hospitals. Speakers from various public sector organizations provided case studies on how they saved money on their electricity bills through energy efficiency, utilizing market signals and taking advantage of market-based pricing.



“These sessions were very helpful for understanding the wholesale pricing structure versus the regulated price plan and the importance of energy audits.”

Workshop participant

The IESO also worked extensively with the long-term care sector to create an awareness of the transition to market prices. In doing so, it partnered with the Ontario Association for Non-Profit Homes and Services for Seniors (OANHSS), the Ontario Long Term Care Association (OLTCA) and the Ontario Hospital Association (OHA) to conduct research studies, set up energy audits and host energy management workshops for their members.

Through its research with long-term care homes, the IESO customized its workshops to provide information on electricity bills, incentive programs and the benefits of an energy audit. Feedback received from these workshops was very positive and additional workshops are being planned with both hospitals and long-term care homes in 2010.

Engagement with Business and Industry

Market education efforts aimed at engaging commercial and industrial electricity users consuming over 250,000 kWh per year continued throughout 2009.

The IESO partnered with a number of Ontario's large-volume electricity consumers, providing them with targeted information on how to better manage their day-to-day plant operations. Work with organizations including the Canadian Manufacturers and Exporters (CME), the Ontario Association of Physical Plant Administrators (OAPPA) and the Ontario Mining Association (OMA) resulted in productive discussions around practical and cost-effective energy management strategies.

Over the course of 2009, the IESO participated in 121 events with public sector and business electricity customers. Covering a range of outreach initiatives, these events attracted close to 7,300 consumers.

TOTAL EVENTS = 121

By Type	# Attendees/Conversations
Exhibiting Events: 12	825
Conference Presentations: 22	2,540
Meetings: 23	275
Presentations: 49	2,386
Speeches: 5	1,050
IESO Tours: 3	53
Workshops: 7	169
TOTAL	7,298

“You have left us with a better understanding of the IESO and the critical role your organization plays in matching supply and demand in our power market.”

[The Probus Club of Kitchener-Conestoga](#)

Engagement with Industry and Trade Associations

Engaging industry and trade associations was integral to the IESO's market education program for 2009. The IESO partnered with the following associations through a variety of forums to share sector-specific information on energy management, market pricing and incentive programs:

- Ontario Long Term Care Association (OLTCA)
- Ontario Hospital Association (OHA)
- Ontario Good Roads Association (OGRA)
- Rural Ontario Municipal Association (ROMA)
- Ontario Small Urban Municipalities (OSUM)
- Association of Municipalities of Ontario (AMO)
- Canadian Manufacturers and Exporters (CME)
- Canadian Healthcare Engineering Society (CHES) – Ontario Chapter
- Ontario Association of Physical Plant Administrators (OAPPA)
- Ontario Mining Association (OMA)
- Building Owners and Managers Association (BOMA)
- Association of Municipalities of Ontario (AMO)
- Ontario Association of Non-Profit Homes and Services for Seniors (OANHSS)
- Colleges Ontario

As part of its outreach initiative with industry and trade associations, the IESO exhibited and presented at a number of conferences, including the annual Canadian Manufacturers and Exporters (CME) conference in November 2009. Co-sponsored by Natural Resources Canada, over 400 people attended this event. Several sessions focused on industrial energy efficiency issues including common barriers to pursuing energy management projects, securing financing, payback periods, documentation requirements for incentive programs and the creation of a central repository for energy management information. Sessions on smart grid and carbon markets moved beyond the traditional climate debate to highlight the importance of business and industry embracing energy efficiency as part of a larger economic development model.

Engaging Small and Mid-Sized Industrial and Commercial Consumers

Consumer Forum Breakfast Series

Focusing on small and mid-sized industrial and commercial loads, the IESO Consumer Forum Breakfast Series allowed the IESO to help this market segment understand the evolving nature of Ontario's electricity industry.

With 11 events across Ontario in 2009 and attendance exceeding 425 participants, these breakfast meetings attracted participation from numerous sectors and industries including manufacturing, automotive, petrochemical, metallurgical, retail, oil and gas. The open, interactive and informal nature of these meetings succeeded in attracting attendees across all organizational tiers, from senior executives to plant operators.

Organized in partnership with local distribution companies, presentations were designed to meet the evolving needs of consumers within the utilities' respective service area. Participants heard from a diverse range of speakers covering a number of topics including the province's reliability picture; market demand and pricing; the impact of the Provincial Benefit; energy management incentive programs; the development of the industry through the Green Energy and Green Economy Act; the province-wide smart meter rollout; and the evolution of a smart grid.

"The topics covered by the speakers were timely and informative. Judging by the response we got, those in attendance seemed to be better informed about the changes and challenges facing both the consumer and the electricity industry. The exchange of ideas and information on both sides of the podium indicated that more consumer forums like this are necessary and most welcomed."

Randy Johnson

Manager of Marketing & Customer Communications
PUC, Sault Ste. Marie



IESO Consumer Breakfast Series

Tuesday, December 1
7:30 – 9:30 a.m.
Algoma's Water Tower Inn
360 Great Northern Road
Sault Ste. Marie
Ontario, Canada P6B 4Z7

SPEAKER DETAILS

Brian Conner
President & CEO, PUC Services Inc.

Terry Young
Vice President, Corporate Relations, Independent Electricity System Operator

Sean Brady
Director, Demand Response and Industrial Programs, OPA

Graig Hall
Director of Strategic Business Development and Sales, Utilimart Corporation

Tim Janzen
MCT Energy Solutions

Topics to be covered include:

- Market Pricing and the Provincial Benefit
- System Reliability – what we're doing to keep the lights on
- The Green Energy and Green Economy Act – what lies ahead?
- Demand Response Programs – options available to you
- ERP as a tool for energy management
- How to leverage the IESO to better understand and manage your electricity use

PLEASE REGISTER

A full breakfast will be provided. Although the session is complimentary, pre-registration is required. Please complete the form below and fax to Manager Robinson at 705-759-6510 or email it to consumer@ieso.ca

Name _____

Title _____

Company _____

Address _____

Phone _____ Fax _____

Email _____

FOR FURTHER INFORMATION PLEASE CONTACT:
Ella Kuchuk
Tel: 905-853-4153
ella.kuchuk@ieso.ca

Doug Thomas, IESO Director, Settlements, speaks at a Consumer Forum Breakfast meeting co-hosted by London Hydro for more than 100 of its customers.



Presentations were made by other consumers keen on sharing their energy management strategies and showing how provincial incentive programs had effectively reduced their energy consumption. These real-life success stories provided the audience with practical and tangible examples of how relatively small up-front investments in energy management strategies could yield significant long-term dividends.

Based on responses to questionnaires, 97 per cent of session attendees found these events to be very helpful, remarked that the information provided was practical and valuable, and commented that their overall understanding of the Ontario electricity market had improved. They also noted an increased awareness of the numerous tools and programs available to help them better manage their electricity costs.

“The IESO’s Consumer Forum represents a tremendous information exchange, not only from industry experts to our key accounts, but also as a networking opportunity for our largest consumers.”

John Janzen
Customer Support & Communication
Waterloo North Hydro Inc.

“The IESO’s 2009 Consumer Forum Event was well attended by our customers who felt the sessions provided relevant, meaningful and timely information.”

Arthur A. Skidmore, CMA
President & CEO
Halton Hills Hydro Inc.

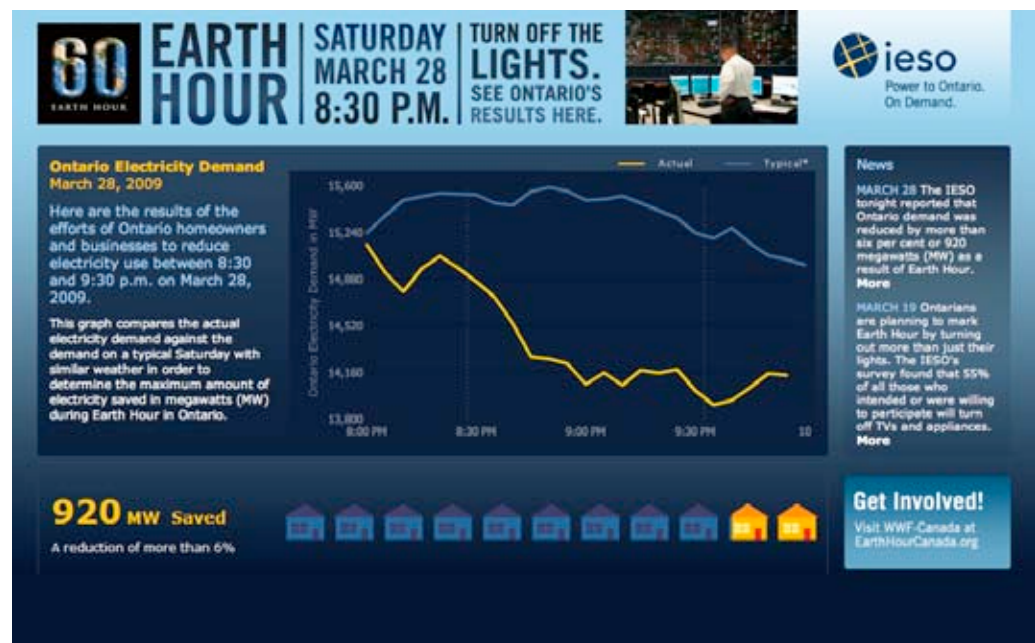
Engaging Low-Volume and Residential Consumers

Conservation events in 2009 aimed at engaging the broader residential community succeeded in drawing attention to the IESO's focus on, and awareness of, broader sustainability initiatives.

The IESO partnered with the Ontario Power Authority (OPA) as part of the "Count Me In Challenge," which culminated in a Community Challenge – an annual competition among communities to reduce energy consumption on the anniversary of the 2003 blackout. The IESO supported the event by adjudicating the results and determining which of the almost 70 participating communities led the energy challenge. This involved co-ordinating with the LDCs on their competition requirements and how to report the information. The results of the challenge, posted on the IESO web site, demonstrated how local municipalities rallied to demonstrate their ability to reduce electricity consumption – with the winner reducing as much as 7.8 per cent – during a 12-hour period.

Earth Hour also provided an opportunity to raise awareness about the importance of conservation and the impact consumers can have on system reliability and sustainability. The IESO created a unique web page (<http://www.ieso.ca/earthhour/>) that depicted in graph format the 920 megawatt (MW) reduction in provincial demand as a result of Earth Hour efforts. The page, which recorded 31,000 views, also contained information about conservation, Ontario's supply mix and other facts related to the production and use of electricity in Ontario. The results of the provincial reduction were also distributed widely to the media. To coincide with Earth Hour, the IESO conducted a survey to determine what efforts Ontarians would take to participate in Earth Hour. The online poll, conducted from March 3-5, showed that 51 per cent of Ontarians intended to participate in the initiative. The results of this survey were released to the media to raise awareness of conservation steps that consumers could take beyond turning out the lights.

During Earth Hour, this graph compared the actual electricity demand in Ontario against the demand on a typical Saturday with similar weather conditions. As Ontarians turned their lights off, 920 MW of provincial demand was reduced.



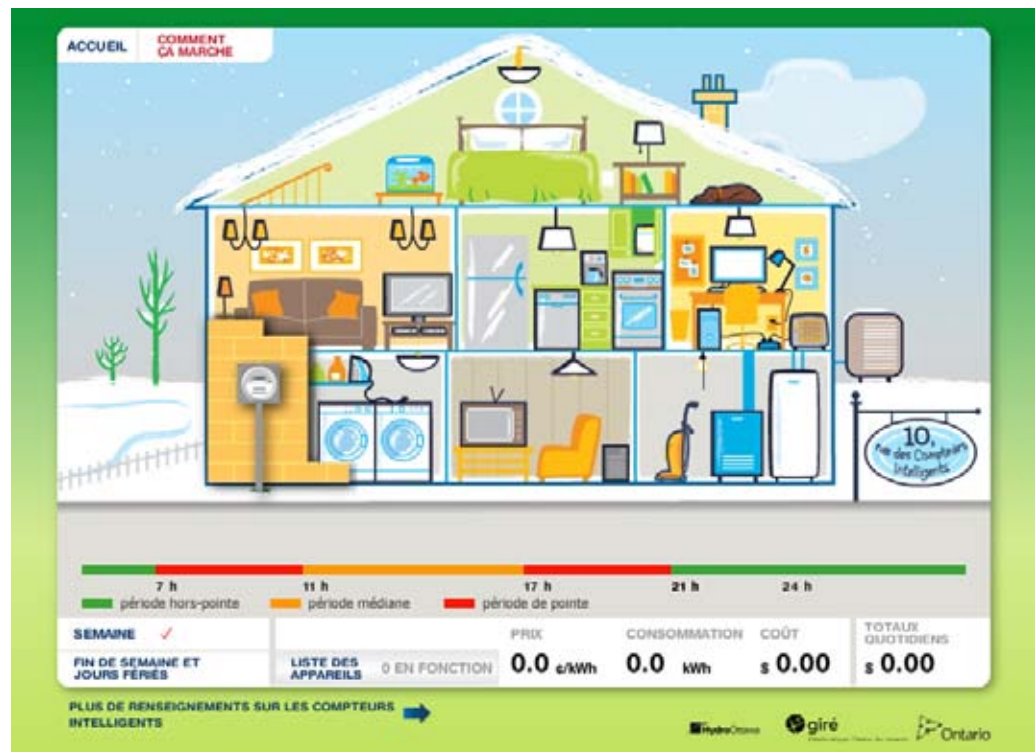
Smart Meter Communications

Building on the success of the 2008 smart meter communications strategy – on which the IESO partnered with government and LDCs – the IESO continued to provide the Ministry of Energy and Infrastructure and distributors with specific support in their time-of-use (TOU) customer education campaigns. It held focus groups to better understand energy management issues for this target audience and provided content for the development of two brochures that will be used by LDCs for their small business customers. An online interactive tool for this audience is currently under development.

Improvements were also made to 10 Smart Meter Lane, an online interactive tool designed to help consumers assess appliance electricity consumption using TOU rates. In 2009, new appliances and features were added to the site, including the deployment of a French-language version. Visits to the site have ramped up significantly, with more than 40,000 unique visits to the site since the beginning of 2009. More than 30 LDCs now feature this interactive tool within their own websites, allowing consumers to calculate the cost of operating household appliances at different times of the day. Traffic to the site is expected to increase significantly during 2010 as more consumers across Ontario transition to TOU prices.

The IESO continues to maintain sections of its website aimed at informing audiences on the impact and benefits of TOU pricing. The Consumer, Business and Industry, and Media sections provide these groups with a broad range of information about smart meters and TOU rates. In particular, the Consumer section, which contains a specific segment on TOU rates, received over 102,000 visits in 2009.

Francophone consumers can now read about time-of-use prices, what a smart meter does and energy savings tips in the French-language version of 10 Smart Meter Lane.



Engaging Market Participants and Large-Volume Consumers

Stakeholder Engagement

As Ontario's electricity industry continues to evolve, the IESO must make changes to its rules and procedures to ensure the safe, reliable and efficient operation of the province's electricity system. The IESO stakeholder engagement process is one of several mechanisms used to manage these changes.

Designed to provide individuals and organizations with a forum for input and feedback on proposed decisions or market rule changes, this consultation process offers each sector of the electricity industry an opportunity to engage in the IESO's decision-making process.

Through two-way dialogue, stakeholders have the opportunity to provide input into decisions in an open and transparent manner. Stakeholder engagement principles guide the conduct of both the IESO and stakeholders to help ensure the engagement process is conducted within an environment of openness, mutual trust and respect.

Given the impact of large-volume consumers on demand for electricity in Ontario, the IESO made particular efforts to engage this sector in several stakeholder initiatives throughout 2009. These initiatives included, but were not limited to:

- **Enhanced Day-Ahead Commitment process (EDAC).** This process, designed to enhance the efficiency of the electricity market through the advance scheduling and commitment of resources on a daily basis, underwent extensive consultation with a broad range of consumers in 2009. Through this consultation process, affected stakeholders had the opportunity to identify any operational and settlement concerns. Two working groups resulted – settlements and operations – each of which included representation from various consumer sectors. Stakeholder feedback on the detailed design is now complete and the project has moved to the technical portion of the test phase.

- **Maximum Adjustment Period for Settlement Statements.** This adjustment period defines how far back in time a settlement adjustment will be applied. All five consumer representatives on the Stakeholder Advisory Committee provided feedback to the IESO for the maximum adjustment period to be a fixed number of years. Advice was also provided to IESO management on how far back in time a settlement adjustment should be applied. Consumers benefit from knowing that year-end financial statements can be finalized with certainty and that further changes will not occur as a result of settlement adjustments.

The Stakeholder Advisory Committee (SAC) enables consumer representatives the opportunity to provide advice and recommendations directly to the IESO Board of Directors and Executive on market development and planning decisions. Members are responsible for gathering input from large- and small-volume industrial, commercial, residential and public sectors. Of the 13 members on the Advisory Committee, five represent consumers and their interests. In addition to the initiatives mentioned above, the consumer representatives on the Committee provided input on the IESO 2010-2012 Business Plan, the Market Surveillance Report and the impacts of the Green Energy and Green Economy Act on their sector.

“The Advisory Committee is a good conduit for funnelling stakeholder issues to the IESO Board and senior administration. Stakeholdering is a necessary component of decision making and helps demonstrate transparency and accountability for the IESO.”

John Witjes, public sector consumer representative and Chair of the Stakeholder Advisory Committee

Through its Sustainable Energy Plan, St. Marys Cement in Bowmanville, Ontario has seen \$550,000 in energy savings and an additional \$258,000 in energy rebates.

“Some of the lowest cost projects yielded the biggest paybacks. The single most important change we made was rescheduling some of our operations to off-peak hours.”

Fabio Garcia, Production Manager



Regular participation through the IESO's standing committees and working groups enables large-volume consumers, including dispatchable loads, to actively participate in the IESO's planning and decision-making process.

The Dispatchable Load Working Group provides advice to the IESO on processes, manuals and operating practices as they relate specifically to dispatchable loads. This working group provides a forum where large-volume consumers can raise and discuss concerns and issues related to their operations in the IESO-administered markets. Dispatchable loads participated actively in a number of stakeholder initiatives throughout 2009 including, among others, the outage management replacement project, the Enhanced Day-Ahead Commitment (EDAC) process, the export tariff study and review of operating reserve practices.

The Revenue Metering Standing Committee works with large consumer representatives to ensure suitable revenue metering for the IESO-administered market. The team's area of review includes metering hardware, site-specific loss adjustments, validating, estimating and editing (VEE), metering data communications, data ownership and security. Initiatives explored in 2009 include high accuracy instrument transformer, TCP/IP meter communication, device seal expiry, legacy meter replacement and optical IT issues.

The Information Technology (IT) Standing Committee provides advice to the IESO on IT changes from both a technology implementation as well as timing and planning perspective. It also assesses the opportunities offered by new technology. Various electricity consumer sectors are represented on the committee to ensure broad representation on IT and telecommunications issues and concepts. Consumer representatives on the committee had the opportunity to provide input in 2009 on the portal replacement project, market data transition information, the digital certificate replacement project and the Enhanced Day-Ahead Commitment (EDAC) process.

The IESO values its relationship with market participants and takes their input seriously. In 2009, feedback received on stakeholder engagement activities indicated that 81 per cent of respondents agreed that the IESO's stakeholder engagement processes are effective in facilitating stakeholder input. These results are based on responses from the annual IESO Customer Satisfaction Survey, responses from the Stakeholder Advisory Committee questionnaires and the feedback forms that are submitted at the end of individual stakeholder engagement sessions and meetings.

Focus for 2010

The IESO relies on feedback from consumers engaged directly in Consumer Forum activities and organizations we have partnered with to develop the focus for 2010 activities. Many of the existing programs will continue through 2010 and the IESO will also expand efforts in a few key areas.

1. Consumer Forum Breakfast Series

The Consumer Forum Breakfast Series continues to be successful in attracting small and mid-sized industrial and commercial electricity consumers to these education sessions. The IESO will coordinate with LDCs throughout 2010 to connect with more communities across the province. These sessions are tailored to meet the needs of each group and provide tangible, practical and realistic means to manage – and reduce – overall electricity consumption.

2. Outreach with Industry and Trade Associations

The Green Energy and Green Economy Act is driving unprecedented change in Ontario's electricity sector. The IESO will expand its current consumer outreach program to build relationships with Ontario industry and trade associations in energy-intensive industries to raise consumer awareness of these opportunities.

Activities with these sectors will include IESO-driven workshops and seminars, speaking engagements, presentations at conferences, association meetings and regional electricity sector events.

3. Communication Products and Tools for Consumers

Market research completed in 2009 demonstrated that 73 per cent of those polled across various industrial and commercial sectors found the information provided by the IESO helpful in managing their company's electricity consumption and costs.

To aid mid-sized industrial and commercial consumers, the IESO will continue to partner with LDCs to share market information with their customers at all levels to help them better understand energy management strategies.

Small business customers will be able to understand opportunities to manage their costs through an online interactive tool – currently under development – similar in concept to 10 Smart Meter Lane.

Ontario's public sector organizations and other designated customers transitioned to an hourly price on November 1, 2009. The IESO will continue its education efforts tailored to this sector through workshops, conferences, speeches, publications and direct correspondence.

4. IESO Executive Outreach

The results of the 2009 IESO Customer Satisfaction Survey indicated that customers value direct interaction with IESO senior management. IESO executives will meet with large-volume market participants to gain a better understanding of their needs and concerns. The IESO's stakeholder engagement process will continue to engage large-volume consumers in Ontario by seeking their input directly on initiatives impacting them.

**The Independent Electricity
System Operator**

(IESO) is a not-for-profit entity that manages the province's power system so that Ontarians receive power when and where they need it. Ontario's IESO balances demand for electricity against available supply through the wholesale market and directs the flow of electricity across the transmission system.

Tel.: 905-403-6900

Toll-Free: 1-888-448-7777

Fax: 905-403-6921

E-mail: customer.relations@ieso.ca

www.ieso.ca



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