

## **March 6, 2017 Town Hall remarks**

**Draft: March 5, 2017**

*After Len Kula's opening comments at Adelaide:*

- Thank you Len - first time as MC at a town hall...
- Also doing this at Clarkson tomorrow – being taped there.
- thanks for coming – first town hall this year – lots to catch up on.
- Run through my list & take any questions – welcome them as we go

### **Rate Mitigation**

- **Participated in discussions of how to implement and will make some changes in our accounting**

### **Demand Response Auction**

- Late last year, second demand response (DR) auction.  
For capacity during summer of 2017 and the 2017-18 winter period.  
Both increased participation as well as prices 12 to 17 percent lower than in the 2015 auction.  
For the first time, residential homeowners were able to participate through an aggregator, and were successful in being selected.
- The next DR auction will be held in December 2017 for delivery of DR capacity between May 2018 and April 2019.

## March 6, 2017 Town Hall remarks

Draft: March 5, 2017

- An important part of the transition to a more cost-effective, market-based platforms – learnings for Market Renewal and development of a capacity auction for all incremental resources.

### Market Renewal

- Starting to mobilize our resources to deliver on the Market Renewal project.
- announcements by email and postings to the Hub about the job opportunities associated with this effort.

- Market renewal will be a major undertaking – both for us as an organization and for Ontario's electricity sector.

Most significant enhancement of our electricity market design since the market first opened almost 15 years ago.

More efficient and dynamic market for Ontarians will provide real public value.

Speeches by the Minister and element of rate mitigation plan.

- Benefits Case analysis - second draft going up on website.  
Final version is due for end of March.

## **March 6, 2017 Town Hall remarks**

**Draft: March 5, 2017**

- Next step - engaging with stakeholders on the design of the different initiatives. Project has a broad reach, addressing the way we schedule energy, procure capacity, and meet operability needs in the province. More detail about market renewal a little later on from Tom Chapman and Shawn Cronkwright.

## **Business Plan**

- Originally submitted last fall.
- Minister asked for revisions to include the resources for MR. Resubmitted on Feb. 1. Once it has final approval, we will repost plus OEB

## **Intertie Report**

- We've been asked by the Deputy Minister to review our intertie capability with Quebec – and we hosted a meeting here today with the Quebec and Ontario Ministers. Not sure yet where those discussions will go.

We are also moving forward to enable both the import and export of capacity, more frequent intertie scheduling and the expanded provision of operating reserve through intertie transactions. These

initiatives would enhance the value that market-based energy trade (including transactions with Quebec) could provide in meeting Ontario's operational needs as well as lowering costs and emissions in the process.

### Ontario Science Centre

- A few weeks back- staff and family day at the Ontario Science Centre. Five-year partnership between the IESO and the Science Centre. IESO is the lead supporter of *The Energy Show* as well as a supporter of the Centre's two energy-related school programs.
- *The Energy Show* is a family-friendly 30-minute presentation Different types of renewable and non-renewable sources of energy; the way we use energy; interactive and animated segments.
- Great to see so many IESO employees and their families make it out on what was not the best of weather days.
- A big thank you to Martine and Karina for their efforts in making the event such a success and thank you too to John Jeevanathan and JoAnne Hosick who provided technical support for content development for the show.

## **March 6, 2017 Town Hall remarks**

**Draft: March 5, 2017**

- Discount throughout the five years of the sponsorship, IESO employees will receive 20 percent off general admission price to the Centre when you purchase tickets over the phone. Information on how to do that is available on the Hub.

### **New IESO Board members**

- The IESO welcomed three new members to its Board of Directors last week appointed by the Minister. Christopher Henderson, Glenn Rainbird and Ersilia Serafini joined the board effective March 1, 2017.
- Christopher Henderson is President of Lumos Clean Energy Advisors, which provides expert advice to First Nations, Métis and Inuit leaders on their participation in generation, transmission and geothermal projects and community energy planning. He was a member of the IESO's Local Advisory Committee in Ottawa.
- Glenn Rainbird is a former CEO and senior executive in the information and communications technology and energy sectors. He served as board chair and vice-chair as well as chair of the strategy and pension committees the Canadian Air Transport Security Authority, and for Veridian Corporation and the Edmonton Regional

## **March 6, 2017 Town Hall remarks**

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Airports Authority. At Atomic Energy Canada Limited, Glenn served on the board of directors as a special advisor and as a member of the board's science, technology and nuclear oversight committee.

- Ersilia Serafini is President and CEO of Summerhill, a leading energy-efficiency and demand response program implementation company. She was Vice-Chair of the IESO's Stakeholder Advisory Committee.
- These new Board members replace Ron Jamieson, Bruce Lourie and Bill Museler who left the IESO's board at the expiry of their terms on December 31 last year.

### **Update from the Board meeting and strategy session**

- Our Board of Directors has an annual strategy session, dedicated to discuss the overall strategic direction of the organization.
- Last year's session was focussed on the development of our five-year strategy.
- The Board had its annual strategy session last week where the focus was to review our five-year strategy – the question being whether adjustments were required in light of any changes since the strategy was finalized last June.

## March 6, 2017 Town Hall remarks

Draft: March 5, 2017

- Thank you to everyone who contributed to the discussions in preparing for the strategy session.
- When we reviewed the environment we operate in, many of the changes that are occurring were anticipated –changes on the policy, technology and structural fronts - specifically, new cap and trade regulations, the development of smart grids and storage technology and the expected consolidation of local distribution companies with larger amounts of LDC controlled resources.
- Board agreed that our 2016-2020 Strategic Plan remains robust for the changing environment that we're operating in.
- In executing that plan there are a number of areas that we will be focussing on:
  - continuing to integrate our HR policies and practices, and making real progress on our employee engagement action plans
  - Our communications and engagement efforts, using our regional planning activities to reach communities to enhance our credibility as a trusted advisor and to help drive more informed discussions and decisions;
  - develop a strategy around distributed energy resources;
  - and take our conservation expertise use it to support and ensure good co-ordination with government's Climate Change Action Plan

and the creation of a proposed Ontario Climate Change Solutions Deployment Corporation.

### **CEO recruitment update**

### **Closing**

One final thing I want to mention to you... A number of our colleagues experience strong adverse reactions to fragrances in the workplace. For some people, fragrances can cause a range of adverse reactions, ranging from dizziness and nausea to headaches, skin irritation and breathing problems, among others. Please remember, the IESO is a scent-free workplace and you are asked to refrain from using products that are scented before you come to work or while you are at work.

- Well that's it for my updates. I'll open the floor to any questions that you may have for me...