IESO Project Brief
Project ID # 378

1. Proposed Project Name: *	Market Renewal Program (MRP)
2. Prepared by: *	Nuno De Matos; Shawn Cronkwright
3. Sponsor(s): *	JoAnne Butler

4. Executive Summary: *

The Market Renewal Program (MRP) will transform our current electricity markets addressing known issues and preparing us to meet future challenges. It will enhance the way we schedule and price energy, acquire capacity resources and deliver greater flexibility. It is the biggest suite of changes to the electricity market since the market opened in 2002.

The project scope includes improvements to the way the IESO schedules and prices energy, procures supply resources and delivers greater flexibility from existing assets and from our interties. The changes proposed to the market include:

- moving from a two-schedule system (where prices are determined under one schedule and energy is dispatched under another) to a more efficient, single-schedule market;
- moving from scheduling and dispatching primarily in real time to a financially binding day-ahead market that will provide the IESO and market participants more certainty;
- introducing a capacity auction where all resources will compete on a level playing field, resulting in lower costs and potentially avoiding or deferring the need to build new resources; and
- delivering greater flexibility from existing assets and from our interties

5. What strategic Corporate goal does this project support from the list below? *

a) Providing Public Value ** Under providing public value, our goals are to deliver superior reliability performance in a changing environment and drive to a more efficient and sustainable marketplace.	☑
b) Building Corporate Resilience ** Invest in our people and processes to meet the needs of the sector	☑

c) Respect and Value our Stakeholders ** To be recognized as a trusted advisor, informed by engagement.	☑
6. Why is this project required? *	
a) Required to meet Regulatory/Government directive requirements **	☐
b) Meets multiple conditions (6c) and (6d) of criteria 6 The government has recognized the importance of this project and in a letter to the IESO on December 8, 2016, the Minister of Energy wrote: "*However, the ministry asks that you resubmit the Plan to include resourcing for the Market Renewal project that the IESO is currently undertaking. In particular, the ministry would like to ensure that the Plan outlines any resourcing requirements needed to deliver the emerging priority to drive further efficiency in the energy markets. Market renewal is a pressing need and the IESO has already begun the important work of consulting with stakeholders on the work plan to renew Ontario's electricity market design. Please ensure that the IESO's business plan includes appropriate resources needed for this important initiative.*" Refer to the executive summary.	☑
c) Required to sustain IESO Service (Business/IT)	☐
d) Required to increase efficiency and reduce operational cost**	☐
7. What customers or users will receive benefits from the outcome of this project? * *List all customers/users here. Limit narrative to a maximum of 256 characters, including blank spaces.*	

a) Market Participants (External Users) + IESO ** The changes proposed in the Market Renewal Program will benefit Market Participants and the IESO.	☑
b) All IESO or Market Participants **	☐
c) Multiple business units ** All business units within the IESO will benefit	☐
d) Single business unit	☐
8. Does the project directly support the mitigation of a Corporate key risk or low/ modest tolerance event? * *Refer to corporate Risk Document posted on the PMO webpage.*	
a) Mitigates key risk **	☐
b) Mitigates low tolerance event MSP identifies substantial market design inefficiencies that have not been addressed by the IESO.	☑
c) Mitigates modest tolerance event {Enter text here}	☐
d) Not supporting any of the Enterprise Risk/Event {Enter text here}	☐
9. Is this project part of a program? * ☑ Yes ☐ No	

10) Impact Assessment: *

Inefficiencies of the existing energy market. Opportunity for an alternate procurement method for securing capacity.

11. Project Attributes:

a) Duration including contingency: *

☐ 0 to 6 months ☐ 7 to 12 months ☑ greater than 12 months

b) Total Cost (Capital & OM&A) including contingency: *

☐ up to $100k ☐ $101k to $500k ☐ $501k to $1M ☑ greater than $1M

c) Project Dependencies

1. CRS Replacement: Required for new settlement calculations and charges for new market and Capacity Auction.

d) Key Deliverables: **

- New Capacity Auction Registration, Qualification and Selection process.
- New Single Schedule, DAM and Enhanced Real Time Unit Commitment process
- Settlement calculations and Charges
- Market Trials for Market Participants
- New Market Rules and Market Manuals
- New Internal Manuals and Procedures
- Training materials (Internal and External)

e) Preferred project start (quarter):

Q1 - 2017

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f) Key Project Risks: **

- Lack of Senior management / Executive Support
- Internal resources not being dedicated to the Program
- Stakeholder delays
- Limited SMEs for "Business as usual" operations work and Program work.
- Change of Government in 2018

g) Mandatory due date:

- Capacity Auction targeted for April 2021.
- Single Schedule/DAM/RTUC for Q4 2021.

h) Key resources required: **

- Markets Analysts
- Stakeholder and communications.
- Business SMEs
- Business/Solution Analysts
- Project Managers
- Developers
- Testers / QA
- Vendors
- Procurement
- Legal
- Senior management

i) Additional information, if any: **

N/A