

Agenda Item Summary

Date of Meeting:	June 12, 2019
Presenter:	Barbara Ellard, Director, Markets & Procurement Alexandra Campbell, Director, Market Renewal Capacity Integration Shawn Cronkwright, Director, Energy Design & Implementation David Short, Director, Transitional Capacity Auction Project Leonard Kula, Chief Operating Officer and Vice President, Planning Acquisition and Operations
Agenda Item:	Enhancing Ontario's Electricity Markets: Market Renewal Program (MRP) & Transitional Capacity Auction (TCA) Board Update
Purpose of Item: ¹	Education for a strategic issue Decision – seeking approval to execute the Transitional Capacity Auction project
Executive Summary ² :	<p>Attached is an updated Market Renewal Program (MRP) dashboard for the Energy Stream and the Incremental Capacity Auction (ICA) Stream. The program dashboard highlights and reports on: costs, schedule, risks, progress on stakeholder engagement and design decisions, and linkages to other IESO initiatives. The purpose of the dashboard is to provide the Board of Directors with visibility into the program's progress, as well as a high-level overview of emerging issues and potentially contentious decisions.</p> <p>The presentation seeks to highlight key elements of our efforts to enhance our electricity markets:</p> <ul style="list-style-type: none">• Energy market design – provides an update on the status of the single contentious high level design issue and notes that we are

¹ State the purpose of the agenda item: a) Education for a strategic issue, b) soliciting Feedback, or c) a Decision/Recommendation item.

² Provide concise summary of issue, identifying why the item is important to the Board, with distilled analysis, and Management's recommendation.

still on track to seek Board approval of the Energy High Level Designs in August.

- Capacity market design – covers two capacity-related topics:
 - Transitional Capacity Auction (TCA) – the TCA is intended as an interim mechanism to address Ontario capacity needs beginning in summer 2020. We provide a brief summary of this initiative, and seek Board approval to execute this project.
 - Incremental Capacity Auction (ICA) – the ICA is intended as an enduring mechanism to acquire capacity. We provide a status update as the stakeholder comment period for the published High Level Design concludes. We also identify actions we intend to take to understand and respond to stakeholder concerns.
- MRP Business Case – we provide a status update on the development of the MRP Business Case.

Significant Issues, Risks and Opportunities:³

Market Renewal is moving forward with high-level design decisions but there are key linkages and stakeholder focus areas that will need to be managed effectively to ensure progress.

Materials⁴:

Dashboard Report “Market Renewal Dashboard – June 2019”

Presentation “Enhancing Ontario’s Electricity Markets: Market Renewal Program (MRP) & Transitional Capacity Auction (TCA) Board Update”

Board Resolution “In Respect of the approval of the design and implementation of Transitional Capacity Auction Project”

³ Provide concise description of significant issues, risks and opportunities.

⁴ Materials (memo, slides, and reports) are to be concise, providing brief analysis of salient points, risks/opportunities, and Management’s recommendations. If detailed report/ background information is necessary, it should be provided in an appendix with specific direction to key sections.