



Today's Electricity Market

The IESO is at the heart of Ontario's power system, connecting generators that produce electricity, transmitters that send it across the province, industries and businesses that use it in large quantities, and local distribution companies that deliver it to people's homes.

The wholesale electricity market where this happens is more than 15 years old and, in all that time, it has remained essentially unchanged. But the energy landscape hasn't.

Back in 2002, electricity mostly came from a combination of coal, hydro and nuclear and consumers did not have many tools or technologies to understand or manage their use of this resource. Over the past almost two decades, new technologies have emerged, the use of coal has been eliminated, the pace of change has increased, customers are more engaged and supply and demand is increasingly unpredictable.

The electricity market needs to change in order to keep up with the dramatic sector-wide developments to ensure it is meeting the needs of those operating in the electricity sector and maximizing value for consumers.



The Need for Change

Market Renewal is about making changes that will make the electricity market function more effectively. It's about ensuring there is enough electricity to meet future needs, how that electricity is scheduled, making sure market prices reflect system costs and ensuring a level playing field for all electricity resources to provide what the system needs, when it is needed.

The pace of change makes it hard to predict a precise future for the electricity sector. It will likely include even more renewable and non-emitting resources than there are today and emerging technologies will play a role that one can only start to imagine at this point. Technology is fundamentally changing the way electricity is produced and consumed.

Market renewal initiatives are focused on ensuring Ontario's electricity market has a strong foundation that will allow the sector to adapt flexibly to future changes.



Benefits of Market Renewal

The IESO commissioned an independent study to assess the benefits of market renewal. The analysis identified a province-wide net benefit of \$2.2-\$5.2 billion, over a ten-year period. However, the benefits are expected to extend beyond the 10 year timeframe of the study.

Market Renewal Mission

Market Renewal will deliver a more efficient, stable marketplace with competitive and transparent mechanisms that meet system and participant needs at lowest cost.





In the End...

Market renewal is not about making modifications to the existing design of the market. It is a change that represents the most significant suite of reforms since the market was designed in the late 1990s.

It will help to ensure that Ontarians have a stable and reliable supply of electricity at the lowest cost while those working in the sector can rely on a robust, stable market that is prepared for whatever the future may hold.

For More Information

For more information about market renewal, please visit [IESO.ca](http://ieso.ca).

Contact engagement@ieso.ca to find out about becoming involved in the redesign of the new electricity market.

Independent Electricity System Operator

1600-120 Adelaide Street West
Toronto, ON M5H 1T1

Phone: 905.403.6900

Toll-free: 1.888.448.7777

Email: customer.relations@ieso.ca

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Getting Ready for the Future

Market renewal initiatives are focused on improving how:

- Electricity is scheduled and dispatched to help reduce overall system costs.
- Ontario acquires electricity resources to meet medium- and long-term needs which will help ensure that reliability needs are met at the lowest cost.
- The system can reliably and efficiently respond to unexpected, short-term changes in supply and demand.

This work will address existing issues with the market design and put in place a structure that encourages and can adopt new and innovative solutions from a more diverse range of participants.



Collaborative Approach

The IESO is not doing this alone. Stakeholders and the IESO are working together to design the new electricity market. Across a variety

of forums, the IESO and stakeholders impacted by changes to the market have the opportunity to ensure that market renewal will deliver solutions that work for the sector and consumers. The common element is an open, collaborative process, where diverse stakeholder groups come together to design a market that appropriately reflects their views, concerns and priorities.

Creating the Electricity Marketplace of Tomorrow

