

## Introduction

The AESO acts in the public interest of all Albertans to deliver on its mandate and to meet its legislative and regulatory obligations. And we recognize that the decisions we make and the actions we take in delivering on our mandate affect many different stakeholders. We believe effective stakeholder engagement is critical to our success and forms a fundamental part of how we achieve our mandate.

Our stakeholder engagement needs have been evolving; more significantly so in recent years, and this has led us to re-envision how stakeholder engagement is conducted at the AESO.

On Oct. 21, 2019, we rolled out a strategic corporate stakeholder engagement approach and at its foundation was the new draft AESO Stakeholder Engagement Framework (Framework). At the same time we launched the AESO Stakeholder Engagement Survey.

We thank all those who submitted their feedback. Each submission was reviewed in detail and the input received will be considered in guiding our engagement approach going forward.

## Finalized Framework

Stakeholders provided overwhelming support for both the draft Framework principles and objectives. They indicated coordinated actions, follow through and measured progress would be paramount to the successful implementation of the Framework.

We incorporated this feedback and updated the Framework to include:

- Clarity that the success of the Framework is measured on the engagement process rather than the decision outcome
- Expansion of the list of our stakeholder groups to include the end-use customer
- An additional objective for measuring alignment to the principles and reporting on progress

The finalized AESO Stakeholder Engagement Framework can be found [here](#).

## Summary of Stakeholder Feedback

On Oct. 21, 2019, we posted a survey on [www.aeso.ca](http://www.aeso.ca) requesting input from stakeholders on the draft Framework and our proposed approach as well as feedback on past AESO engagements by Nov. 18, 2019.

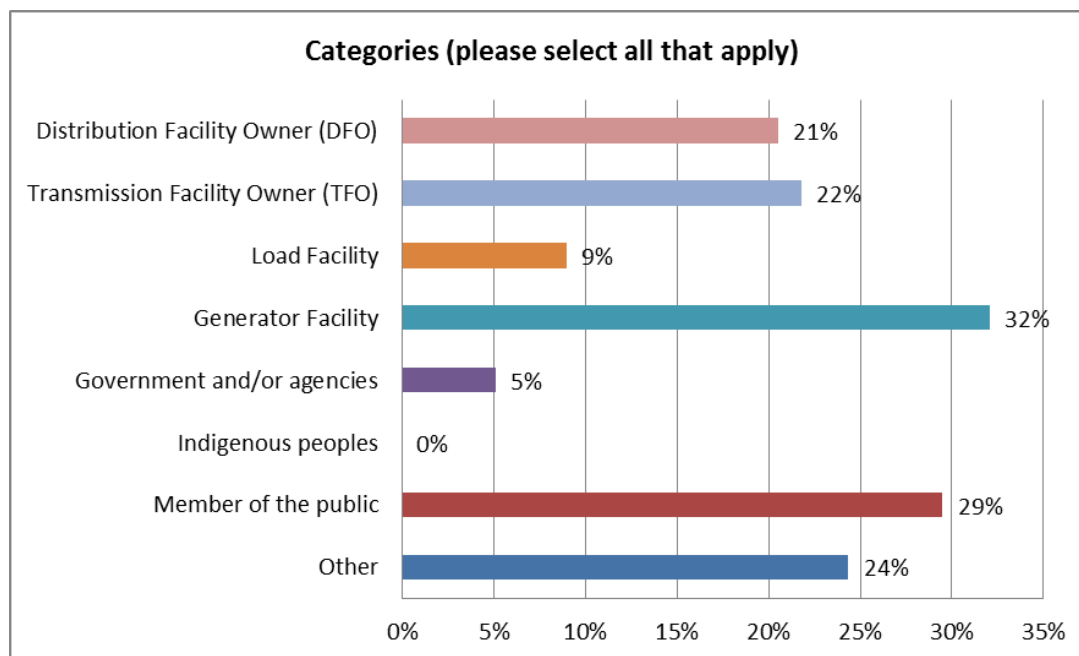
As noted in the introduction to the survey, all information collected will be kept confidential, and to that end we are providing a summary of what we heard.

We thank all those that took the time to provide insightful, thoughtful and instructive comments. It is greatly appreciated and will be considered in guiding our engagement approach going forward.

## Respondents

A total of 78 respondents completed some or all of the online survey.

Representation included:



(Answered: 78 Skipped: 0)

The “Other” category included responses from parties who self-identified as the following:

- Aggregator
- Consultant (7x)
- Energy Advisory Services
- Industry Association (3x)
- ISD Owner
- Market Participant
- Municipality
- Wholesaler

Please note, throughout the summary report, some results may add up to more than 100 per cent due to rounding errors and a stakeholder’s ability to make multiple selections on some questions. Additionally, stakeholder responses, where anonymity allowed and it made sense to do so, were included as they were written. Opinions are the writers’ own and content has not been vetted for accuracy.

The following organizations participated in the survey:

(Answered: 54 Skipped: 24)

- Access Pipeline operating as Wolf Midstream
- Alberta Direct Connect Consumer Association
- AltaLink (2x)
- ATCO (4x)
- Battle River Power Coop
- Best Consulting Solutions Inc.
- Canadian Wind Energy Association
- Capital Power (2x)
- Chesterman Professional Service Inc.
- City of Medicine Hat
- CNOOC Petroleum North America ULC (2x)
- Customized Energy Solutions
- DePal Consulting Limited
- EDTI
- Enel X (formerly EnerNOC)
- Enerfin Energy Company of Canada Inc
- ENMAX (5x)
- EPCOR
- Fortis Alberta (2x)
- Government of Alberta, AEP
- Heartland Generation Ltd.
- Industrial customer representative
- Industrial Power Consumers Association of Alberta (IPCAA)
- Independent Power Producers Society of Alberta (IPPSA)
- Lionstooth Energy Inc.
- LSM Energy Solutions
- Miscellaneous (4x)
- Public (4x)
- PricewaterhouseCoopers (PwC)
- Suncor Energy Inc. (2x)
- Syncrude Canada Ltd.
- TransAlta Corporation (3x)
- TransCanada Energy Ltd.
- URICA Asset Optimization

Seventy-eight respondents were representative of the following roles:



(Answered: 78 Skipped: 0)

The “Other” role included responses from parties who self-identified as the following:

- Advisor
- Commercial Representative
- Educator
- Management
- Market Design Specialist
- Miscellaneous (2x)
- Project Development & Execution
- Public (2x)
- Regional Director
- Regulatory (3x)
- Transformation Lead

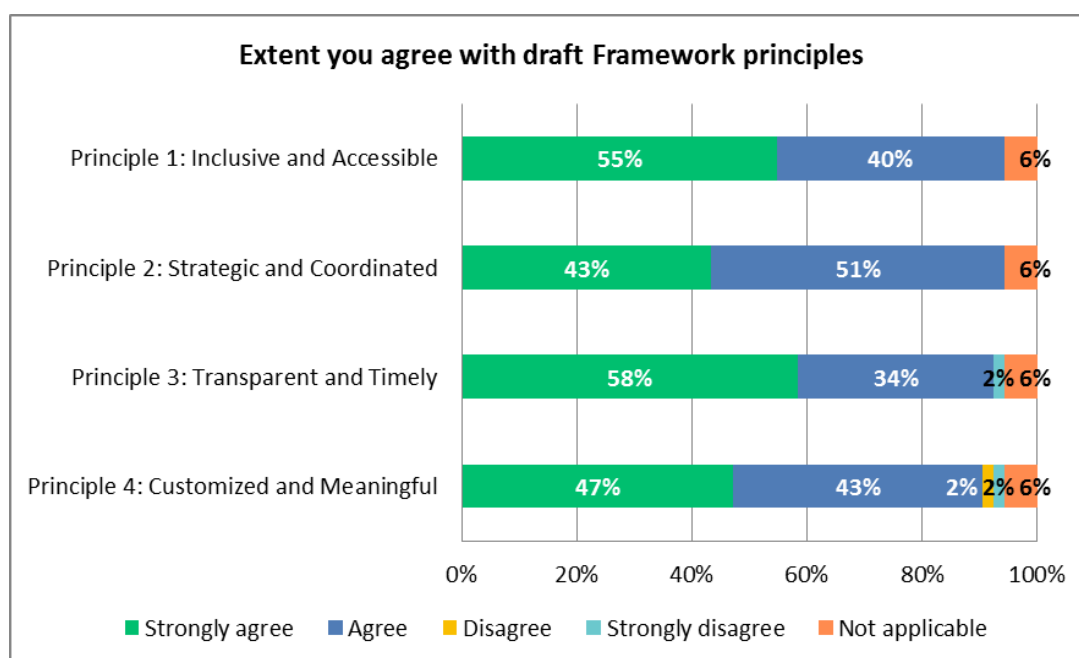
## What we heard

We summarized the feedback received from stakeholders into the following sections:

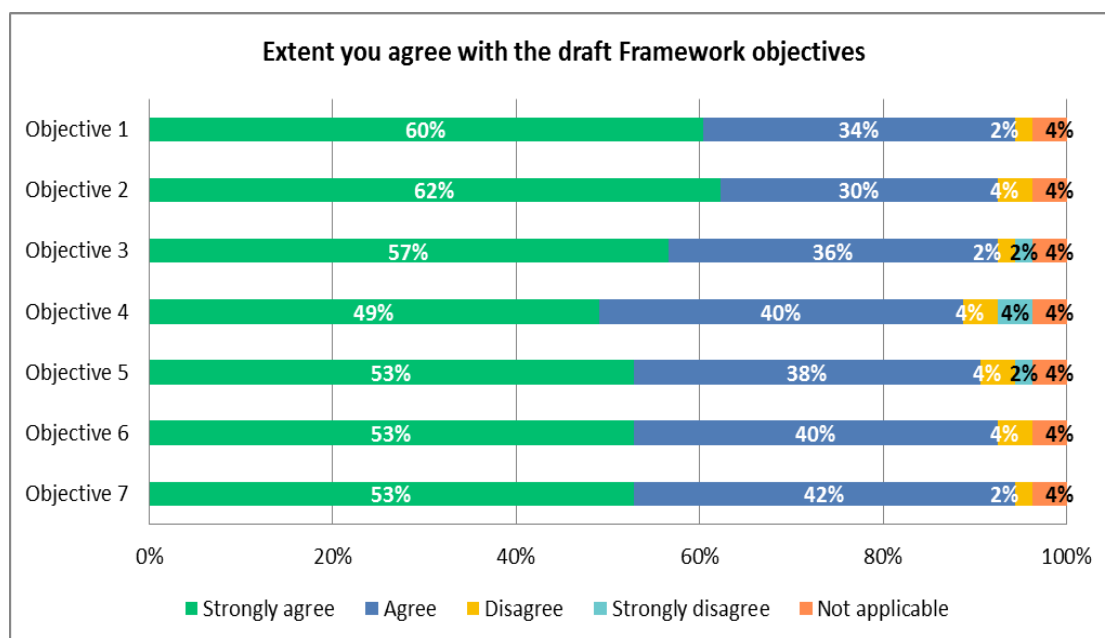
1. Framework principles, objectives and value
2. Success measures with feedback loop
3. Process consistency and application
4. Openness to solutions
5. Timeliness
6. Regulatory consultation
7. Market participant committees
8. Past AESO stakeholder engagements

### 1. Framework principles, objectives and value

Stakeholders provided overwhelming support for both the draft Framework principles and objectives as illustrated in the charts below:



(Answered: 53 Skipped: 25)

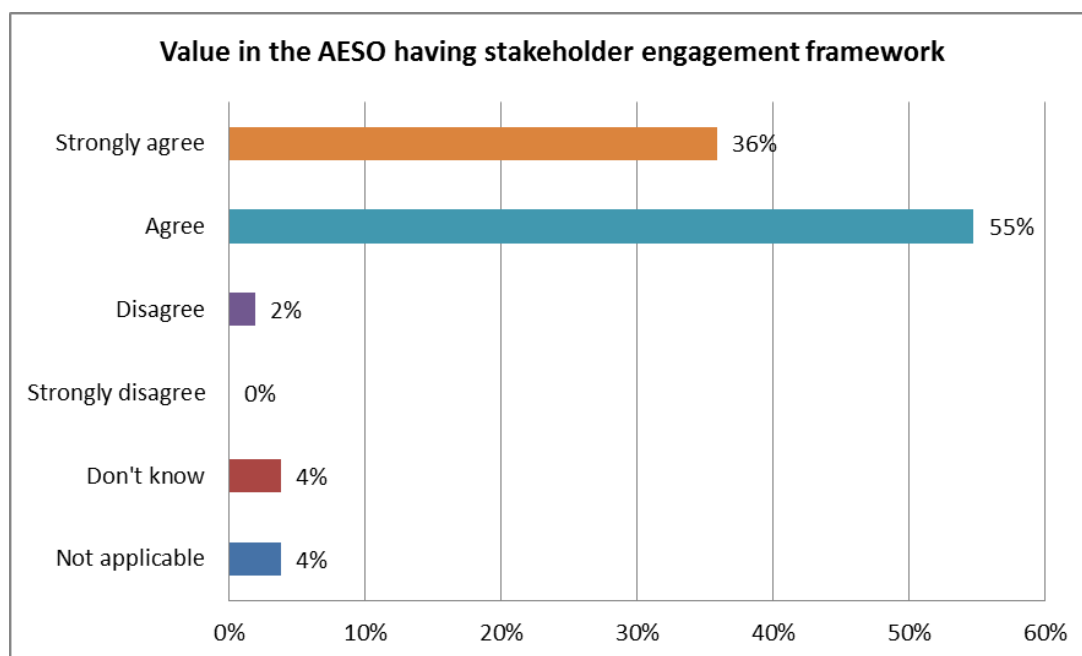


(Answered: 53 Skipped: 25)

### Objectives:

1. Keep stakeholders informed about matters that impact them;
2. Provide opportunities for stakeholders to share their perspectives and concerns on relevant decisions and developments in our industry;
3. Enhance our ability to understand stakeholder views and incorporate consideration of them into our decision-making;
4. Standardize the processes, practices and tools we use to engage our stakeholders;
5. Coordinate our engagements to maximize effectiveness and efficiency and reduce stakeholder fatigue;
6. Communicate effectively by enhancing the clarity, accessibility, relevance and timeliness of our communications about our engagements; and
7. Build stakeholders' trust and confidence in the AESO and in our processes, decisions and activities.

Stakeholders also strongly supported the AESO having a stakeholder engagement framework as seen below:



(Answered: 53 Skipped: 25)

Overall, stakeholders indicated coordinated actions, follow through and measured progress would be paramount to the successful implementation of the Framework, and that effective engagement will help the AESO to build and gain the trust of its stakeholders.

## 2. Success measures with feedback loop

The majority of stakeholders felt success measures incorporating a feedback loop for continuous improvement were missing from the principles and objectives. Comments shared indicated they would like to see a post-engagement analysis performed to measure whether objectives were achieved and if engagements aligned with the Framework principles.

Some common responses included:

- Consider feedback loop to ensure objectives of the engagement were met
- Important to evaluate success in meeting engagement objectives
- Form a baseline for reference for continuous improvement
- Build in review process in order to make adjustments as you go
- Track alignment to objectives to determine if successful
- Important that objectives and principles are both actionable and measurable; the AESO has not included the means by which it will measure success and compliance with this framework
- Regular feedback should be incorporated to continuously improve

### **3. Process consistency and application**

Stakeholders indicated they want to know what to expect from the engagement process and for the process to be applied consistently across the AESO for all engagements across all departments. Comments included the desire for a well-defined scope and issue identification at the onset of the engagement.

In addition, stakeholders are looking for consistency on how we share what we heard as well as clarity on why we consult on some issues and not on others (e.g., consult on Authoritative Documents but not on Information Documents but impacts to customers can be just as significant; do not seek feedback on Long-term Outlook).

Some common responses included:

- Clarifying up front on type of AESO engagement (i.e., inform versus collaborative)
- Engagements have been inconsistent and principles have not been regularly applied across AESO engagements
- Consistency should be applied to how the AESO addresses stakeholder comments; key to maintaining transparency in the consultation process and ensuring market participants understand the AESO's rationale for its decisions
- Common understanding of what AESO and stakeholders are striving towards
- Begin with a clear definition of the issue or problem at hand
- Effective stakeholder engagement must include a transparent, consistent process
- Clear definition of what/who is included in stakeholder engagement would be helpful

### **4. Openness to solutions**

Stakeholders would like to see engagements as an opportunity to explore solutions; they do not want to see the AESO coming to the table with an entrenched position before stakeholders have been engaged. Stakeholders want to be able to influence the decision and be shown how their feedback was considered.

Some common responses included:

- Willingness to reconsider proposed solutions if feedback supports such a change
- Effective consultation will enable the AESO to gain insights from its stakeholders to build better solutions to common challenges
- Lack confidence in the AESO that their input will be given any weight
- Current consultation process lacks transparency and accountability from AESO to stakeholders
- Importance of collaboration and resulting recognition of industry feedback
- Decisions impact industry and customers; want appropriate and equitable level of engagement
- Importance of the AESO engaging with stakeholders with open mindset to facilitate fruitful dialogue

### **5. Timeliness**

Stakeholders want engagement timelines provided well in advance and to provide updates on a regular basis so stakeholders are able to effectively participate on issues that impact them.

In addition, feedback indicated that timely sharing of relevant information including data and analysis to ensure effective participation was of utmost importance.



Some common responses included:

- Clear timelines with regular updates are key to maintaining transparency and stakeholder confidence in the consultation process
- Transparent and timely stakeholder engagement; preliminary transparency on timelines is a boon to stakeholders
- Timelines for consultations should be established and set out several months in advance
- Engagements should be well planned and coordinated with other AESO initiatives
- Provide proper background information that identifies perceived issues that are meant to be addressed by the engagement
- Timely release of data and analysis to assist stakeholders in testing perceptions as well as AESO's assertions allowing for more effective participation in the consultation
- Data and analysis often not made publicly available until very close or in regulatory process

## **6. Regulatory consultation**

Stakeholders indicated they were looking for better transparency in our expectations and interpretations of ISO rules and reliability standards as well as greater clarity on compliance measures and expectations similar to best practices of other jurisdictions.

Some common responses included:

- Provide fair and reasonable opportunities for stakeholders to gain an understanding of the implications and potential outcomes in advance of finalizing changes that are material in nature
- Refer to best practices of other jurisdictions with respect to providing guidance on how to be compliant (e.g., documentation, examples, audit feedback, webinars, training)
- Provide clarity on compliance measures and expectations
- Provide reasonable timeframe to arrive at a solution

## **7. Market participant committees**

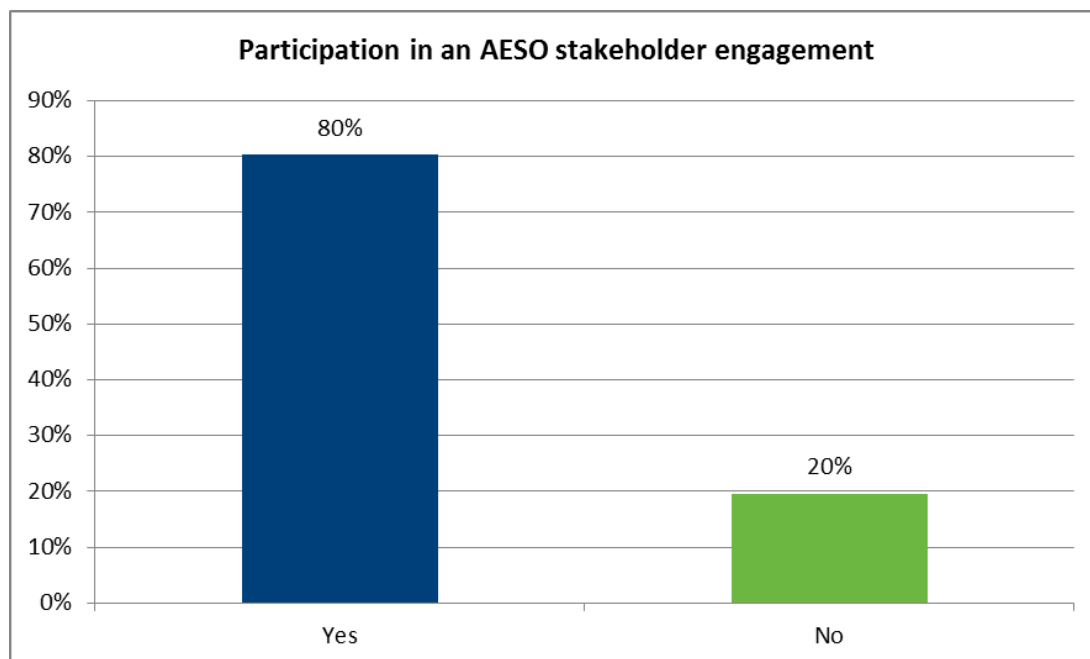
Some stakeholders want to see formal, standing market participant committees similar to models followed in other jurisdictions for ISO rule development or amendments.

Some common responses included:

- Adopting best practice of standing market participant committees comprised of a cross-section of stakeholders to partake in the ISO rule development process
- Create a standing body of stakeholders to provide input on AESO priorities; body could provide input on whether the issues the AESO plans to consult upon are even a priority, before it begins that work
- Committee membership open to any industry that shows material interests that stand to be impacted and cannot be sufficiently represented by another, should be afforded the opportunity to participate

## 8. Past AESO stakeholder engagements

Over 80 per cent of stakeholders indicated they had participated in an AESO engagement as seen below:



(Answered: 51 Skipped: 27)

Stakeholder feedback on past AESO engagements that best met the spirit of the draft Framework was seen as encompassing:

(Answered: 29 Skipped: 49)

- Strong transparent process
- Issue identification/problem statement clearly defined at onset
- Began with a clear definition of the issue, then solicited or discussed ideas from all stakeholders, then narrowed large amount of ideas into ultimately one proposal through extensive discussion/analysis
- Information and data and analysis provided early in the process to allow stakeholder to understand the issue and have the opportunity to work alongside the AESO to explore options to generate a mutually acceptable recommendation
- Collaborative in nature
- Development of solution that considered multiple viewpoints
- Open dialogue on the issues that the AESO was contemplating and enabled the AESO to hear its customers' priorities
- Strong stakeholder participation
- Addressed or at least discussed stakeholder concerns
- Engagement designed to elicit stakeholder input and work together towards a solution
- Listen to stakeholders' issues, concerns and priorities
- Reasonable timeframe to arrive at a solution
- Staff demonstrated openness to stakeholder input

For those past AESO engagements that stakeholders felt would not have met the spirit of the draft Framework, suggestions for improvement included:

(Answered: 28 Skipped: 50)

- Less successful engagements are ones where the problem is less defined, the AESO does not provide data or analysis before it asks stakeholders to provide comments, where the timeline is unreasonable, and where the AESO gets entrenched in a position early in the process
- Set time aside to explore with stakeholders what compromises/solutions could be possible
- Utilize professional facilitators to manage in-person engagements may result in more productive outcomes that better represent points of consensus
- Be more transparent and consistent with sharing timelines and expectations
- Share/forecast dates for actions such as stakeholder consultation, forward to AUC, etc.
- Discuss Information Documents with a wide industry audience
- Industry to see suggested Tariff changes before they appear in the submission to the AUC
- The framework should allow for corrections/adjustments to decisions made in earlier engagements, as unanticipated findings or learnings may be identified later on in the process
- Reasons and alternatives to decisions/recommendations should be discussed and shared
- Increased communication and notifications
- Encourage opportunities for discussion; do not prematurely limit options and discussions
- AESO engagements that are less successful, often do not make a real transition to collaboration
- One big pitfall is that the AESO engagements that are less successful do not seem to advance to provide data and analysis that help stakeholders to understand and agree on the parameters of the problem
- Provide reasonable timelines and information at the onset; engagements on very tight timelines where data and analysis is produced at the end of the engagement and not in the beginning phases are typically much less successful
- The AESO must also participate in engagements by explaining their concerns that have led to a proposed change and their concerns regarding alternative solutions either proposed by the AESO or stakeholders
- Consistent process; instances where the AESO has consolidated feedback received from stakeholders and others where the AESO only issued responses where it deemed appropriate