

Memorandum

IESO BUSINESS UPDATE

To: Stakeholder Advisory Committee

From: Terry Young, VP, Conservation and Corporate Relations and
Douglas Thomas, VP, Information & Technology Services
and Chief Information Officer

Date: February 8, 2016

Subject: **IESO Business Update – Foundation Project**

Information Item:

- Foundation Project Summary
- January 2016 OEB Orders to the SME

Foundation Project Summary

The purpose of this 2015 IESO project was to assess the potential and suggest a path for enhancing the value of the smart meters investment in Ontario and to harness the value of the MDM/R data set for designing conservation and demand response programs, system planning, policy development, academic research and to support innovation in Ontario.

The project was concluded in November 2015 and recommended in summary the following:

- To ensure that the electricity consumption data can be meaningfully analyzed. At a minimum **premise address information and premise occupant change occurrences** must be added to the data set.
 - In the absence of a premise street address, providing global positioning system (GPS) coordinates, if available, would be a suitable substitute.
- Provide a **framework for third party access to personal information** and to personal information that has been de-identified to render it non-personal.
 - Within the third party access framework, limit access to personal information to federal, provincial and municipal governments for purposes related to energy

planning, policy development and other uses, as authorized by applicable legislation, regulation, licences or directives.

- Adopt a **robust de-identification approach to ensure that privacy** is protected as per FIPPA compliance requirements

Next steps are to discuss the recommendations, and the possibility of their implementation, with the Ministry of Energy. The government is also investigating the implementation of a MDM/R Data Access Platform or MDAP, a separate project, but having some common elements including the need to address privacy matters.

OEB Orders to the Smart Metering Entity (SME)

The OEB issued two decisions to the SME in January 2016, one final and one draft, which will also have implications on the recommendations of the Foundation project. The decisions are summarized below:

1. An OEB decision dated January 26 extended the SME's licence and the SME/LDC Agreement to December 31, 2016. The decision also requires the SME to file a plan to implement the following with its next licence renewal application:
 - Effective January 1, 2017, the SME shall collect the following information associated with each meter (modified where necessary to sufficiently render it non-personal information):
 - a) The postal code
 - b) The distributor rate class
 - c) The commodity rate class
 - d) Occupant change data
 - The next SME licence application (Fall 2016) will also address the implementation plan with respect to third party access to this enhanced SME data, including an assessment of the cost implications.
 - The decision stated that the OEB will shortly be launching a policy review to determine the best regulatory mechanisms, such as the amendment of the SME licence and corresponding amendments to the LDC licences, to ensure that the SME has adequate information to carry out its mandate. The SME and other parties will be notified when the OEB proceeds with this initiative.
2. A second OEB draft decision dated January 29 requires the SME to file by December 31, 2016 an application with a recalculated SME charge. This is to include a five-year forecast of costs, including consideration of the costs of the "Implementation Plan", no later than December 31, 2016. The SME has been granted until February 16 to file any

reply comments. With this application, the SME shall provide an update of its request for the disposition of the Service Level Credit Account (SLCA).

- Of note is that the SME is currently on schedule to fully recover the entire investment in MDM/R as originally projected throughout the collection period of May 2013 – Oct 2018, assuming no major technical investments that are outside the original budget projections.