

Ontario Smart Grid Forum
Draft Terms of Reference
Revision 1

1. Introduction

In early 2009, the Ontario Smart Grid Forum (the Forum) issued its report *Enabling Tomorrow's Electricity System*. The report provides recommendations to advance the development of Ontario's smart grid, including calling on the provincial government to provide a framework to promote the smart grid project.

A short time later, the Ontario government introduced Bill 150, the Green Energy and Green Economy Act, 2009 (the GEGEA) to facilitate renewable generation, conservation and the development of Ontario's smart grid.

Government and Industry Developments

The GEGEA has put Ontario in the forefront of transformation by requiring transmitters and distributors to develop smart grid integration plans and make investments in the smart grid.

The GEGEA will increase the quantities of renewable resources and will drive transmission and distribution system changes to incorporate new resources and new modes of operation. The Feed-in-Tariff program has no quantity limits for renewable resources and guarantees a "right to connect". At the same time, distributors will be able to invest in renewable generation and implement conservation and demand management programs. All this will require changes to the integration of operation for the sake of the objectives of the GEGEA.

The GEGEA requires us to re-think how we plan, operate and use the electricity system and smart grid technologies are an essential enabler of this change. It also underscores the need for a co-ordinated development and integration effort across the electricity supply and demand chain, which is at the core of the Forum's recommendations.

In addition to developments in Ontario, the transition to a smart grid is taking on a global prospect.

In the U.S., the concepts embodied in the GEGEA are being aggressively implemented through federal and state legislation. Particular emphasis is being placed on smart metering and other aspects of smart grid development. Large incentives have been established by the federal government to advance smart grid technologies from demonstration to commercial operation resulting in billion dollar investments in this area.

Similarly, Europe and the Far East are continuing in their efforts to advance objectives like the GEGEA including smart metering and time of use rates.

Ontario stands in a leadership position with respect to other jurisdictions based on provincial policies and resulting changes occurring in supply, demand, and the integration of the wires, operator, and consumer communities. The Forum can be a key and continuing element of this leadership.

2. Objective

The primary objective of the Forum is to: *Advance the development of the Ontario Smart Grid by focusing on investment in GEGEA technologies and objectives*

In carrying out its activities to meet this objective the Forum will:

- Provide advice to government, regulators, agencies, and industry in general to advance the effective implementation of a smart grid in Ontario
- Maintain a collective understanding of relevant developments in other jurisdictions
- Work to influence global developments in the interests of Ontario, such as necessary standards
- Identify barriers to investment and the means to address them
- Promote and support economic development by Ontario industry organizations and corporations and the export of smart grid expertise and knowledge
- Ensure that participation on the Forum appropriately reflects the diverse aspects of the Ontario electricity demand/supply chain
- On an annual basis, report to industry on progress towards achieving the Forum's objective and provide a brief update between reports

3. Scope

The Forum will:

- Focus on Ontario, but recognize developments occurring elsewhere and any necessary or opportune linkages
- Focus on electricity, but recognize convergence with other forms of energy, transportation and environmental considerations
- Not be an advocacy group for any one particular technology solution or vendor product
- Foster healthy competition and innovation in the provision of smart grid technologies
- Recognize and respect the interests of organizations participating in the Forum

4. Sponsor/Audience

The Forum is an industry initiative and the industry is the primary audience. However, this effort is also important to many other stakeholders, including the Ontario government, the Ontario Energy Board, the Ontario Power Authority, Ontario's research and development centres and manufacturing sector and retail customers.

The IESO will continue to host and facilitate Forum meetings.

The IESO will continue to provide the “Smart Grid Corner” on its web site, offering public Forum materials as well as links to other efforts that are working toward the development of the smart grid.

5. Structure and Membership

The Forum will be composed of industry leaders and will represent a broad industry view. Participation will be voluntary. Forum members will be at the executive level – CEOs or direct reports to the CEO, and Paul Murphy, IESO President, will continue to serve as the Forum chair.

Should the Forum need to incur costs beyond those associated with meeting facilitation, such costs shall be discussed and agreed to in advance and allocated among members as determined by the Forum.

A working group will be maintained to facilitate the objectives of the Forum and to carry out directions as set out by the Smart Grid Forum.

Topics and issues will likely surface that will require input from subject matter experts and non-traditional industry players (such as the automotive industry). Working groups may be formed at the discretion of the Smart Grid Forum to deal with these specific topics and issues.

Consideration will be given to establishing an advisory group to afford an avenue for industry expertise in competitive fields such as; consulting, manufacturing, equipment suppliers, and retailers to provide the Forum with necessary insight.

It is anticipated that participation on the Forum will change over time to reflect the diverse aspects of the Ontario electricity demand/supply chain and implementation of the GEGEA policies.

The Forum will annually review its terms of reference.

6. Meeting Locations and Schedule

The Forum will meet on a monthly basis, as required to meet its objectives.

Generally, meetings will be held in Toronto at the IESO’s Office, 655 Bay Street, Suite 410, with alternate locations as required.