

# Ontario Smart Grid Forum

## Ontario's Smart Grid Forum Notes of Meeting

Date: November 24, 2009  
Time: 09:00 to 11:30  
Location: Hearst Block, 900 Bay Street,  
4<sup>th</sup> Floor Board Room  
Toronto, Ontario

### Forum Members Attending:

Keith Major	Bentall LP
David Collie	Electrical Safety Authority
Wayne Smith	Hydro One
Norm Fraser	Hydro Ottawa
Paul Murphy	IESO
Don Tench	IESO
Jon Norman	Ministry of Energy and Infrastructure
Rick Jennings	Ministry of Energy and Infrastructure
Aleck Dadson	Ontario Energy Board
Brian Hewson	Ontario Energy Board
Dan McGillivray	Ontario Centres of Excellence
David McFadden	Ontario Centres of Excellence (by telephone)
Paul Shervill	Ontario Power Authority
Anthony Haines	Toronto Hydro
Ivano Labricciosa	Toronto Hydro
Jatin Nathwani	University of Waterloo
Michael Angemeer	Veridian Corporation

### Working Group Members:

Joshua Wong	Toronto Hydro
Lisa Dignard-Bailey	Natural Resources Canada (by telephone)

### Presenters and other attendees:

Edward Arlitt	IESO
Saad Rafi	Ministry of Energy and Infrastructure
Usman Syed	Ministry of Energy and Infrastructure

### 09:00 – call to order, attendance

The Chair invited Saad Rafi to provide some introductory remarks to the Ministry of energy and Infrastructure agenda item.

### Introductory remarks – Deputy Minister of Energy and Infrastructure, Saad Rafi:

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Mr. Rafi provided an overview to the Ministry's presentation entitled "Building Ontario's Smart Grid Strategy" and the taxonomy of the three strategic focus areas it contained. This overview included a general desire on the part of the Ministry to seek input on both the overall strategic direction outlined in the presentation and for an ongoing dialogue with the Forum and any associated working groups. In addition, Mr. Rafi outlined the expected need to keep certain aspects of those discussions confidential as they might potentially influence future government policy initiatives (the matter of confidentiality was subsequently discussed in greater detail).

On the subject of inducing smart grid investment, Mr Rafi pointed out that in essence, the industry cannot merely be complacent market-makers. In addition we need to consider the broader market - not just individual LDCs.

The government doesn't want to be a barrier and is seeking guidance on ground-level activities and needs to better understand the potential barriers to investment and deployment.

### "Building Ontario's Smart Grid Strategy"

Jon Norman presented the Ministry's slide deck, "Building Ontario's Smart Grid Strategy." Questions and discussion occurred at various points during the presentation. During the presentation, Jon also pointed out that:

- There is a Smart grid fund (\$50M) which may be used for smart grid development opportunities such as in-home displays (IHDs) for example, there are also other sources of funding such as federal funds
- We need to understand the cost/benefit of smart grid investments and we need input
- We need to have a common focus and strategy for the province, at the same time we do not want to "box-in" LDCs

At slide # 9 (Challenges for Smart Grid Development), there was a discussion about the potential involvement of the forum to help develop a "policy statement" which might, among other things encompass:

- Common objectives across the industry
- Clarification of roles
- Identification of areas where common specification may be needed
- Identification of strategic areas where funding might be allocated, procurement mechanisms, and the nature of the rate base from which costs would be recovered.

Jon pointed out that the policy statement is one element of the roadmap, and the Government of Ontario is expecting to have a policy statement in the spring so everyone can continue to move forward. Jon posed the question, what can we do 6 months, 12 months and 18 months from now? We need a coordinated approach and understanding

Following the presentation there was extensive discussion:

- It was observed that the slide deck outlined, in essence an "implementation policy".

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- it was noted that this effort needs to account for the previous policy work already done, including the report of the Smart Grid Forum and the guidance provided by the OEB.
- MEI emphasized that their interest in the forum's advice not about day-to-day regulatory issues but rather in addressing the work to be done at a strategic and policy level. They also pointed out the historical perils of a unilateralist approach on the part of government when it comes to directing technological funding. A major goal of the upcoming effort is to learn from the past. Another member of the forum reinforced this point by emphasizing the need to avoid costly "technological lock-in."
- A forum member pointed out that it is critical that the regulatory environment be kept as simple as possible in order to attract investment to the province.
- A forum member pointed out that there seems to be a wide gap between the high-level policies in the *Green Energy Act*, and the detailed constructs needed to build a comprehensive rate case for specific smart grid components and programs. This comment led the group to an extensive discussion on the nature of the task at hand, and particularly whether or not this was a policy setting exercise, or simply an implementation activity to carry out the current objectives of the *Green Energy Act*.
- A member pointed out that the obligation to connect recommended in the Forum's report was a turning point in the development of recommendations and is now a cornerstone of the current provincial policy.
- A forum member pointed out that the pace of activity in the U.S. is rapidly overtaking Ontario, and there is an urgent need to develop an "Ontario Advantage". He went on to suggest that the forum perhaps needs to define a comprehensive innovation value chain with respect to smart grids.

Prior to excusing himself from the meeting Mr Rafi took the opportunity to summarize some of the issues that he took away from the discussion thus far, including:

- A perceived structural gap from "policy to rate case"
- Potential perils of government intervention and adverse technology selection
- The urgent need to create a competitive investment environment

In summary, Mr. Rafi felt that perhaps the government might be leaning towards engaging the forum in an advisory role, and would provide further input on this at a later date.

A forum member indicated that the OEB still feels that there are numerous areas where it would be helpful for policy objectives to be clarified before additional regulatory instruments can be developed. He also pointed out that the current Toronto Hydro and Hydro One rate cases presented a superb learning opportunity for the industry in this regard.

### Question Put to the Forum

The Chair asked the members present if they agreed whether or not they should endeavour to assist the Ministry in coming up with additional Policy as discussed. The group consensus was overwhelming in support of moving forward with this.

### Initial Discussion on the Confidentiality of Future Proceedings:

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The Chair pointed out that to date, all materials and deliberations of the Forum have been published or otherwise made publicly available. This has served the group well in allowing a broader community engagement in the issues. As noted earlier in these minutes, the Ministry raised the possibility that certain discussions feeding into government policy development may need to be kept confidential in their view. On this point, Jon Norman offered to get back to the group on a more precise outline of what types of information this policy might encompass. In the meantime, the group discussed the general principle of confidentiality of some sub-set of the future work of the forum. One option briefly discussed, was to perhaps confine all confidential work to a separate working group reporting back to the main Forum.

Discussion on the question of confidentiality continued and the Chair solicited members for their thoughts on the matter.

One member suggested the importance of “ring-fencing” any work specifically devoted to developing government policy and to recognize commercial considerations.

No members were opposed to the concept of having certain work carried out on a confidential basis.

### Partners Committee:

The group then discussed various ways to engage vendors of smart grid components and services. The Chair pointed out that consideration has already been given to forming a partners committee to engage the vendor community.

A forum member suggested that the Forum come up with a list of barriers to investment before specific vendors are selected to engage.

Jon Norman suggested that the Forum needs to think of this in terms of economic development.

### 11:05 - Chair’s Summary of proceedings so far:

The Chair summarized the key action items that the group had agreed to thus far, including:

- 1) The Forum enthusiastically accepts the offer to work with MEI on additional policy development in whatever manner is most effective.
- 2) The Forum will solicit specific presentations on topics related to making Ontario a jurisdiction conducive to investment in all aspects of producing smart grid components and services.
- 3) Forum members will provide their individual comments to the Ministry slide deck presented at the beginning of the meeting.
- 4) The Forum will move forward with the Smart Grid Partners Committee concept.
- 5) The MEI “Roadmap” Working Group will be augmented as needed and will work with the Forum. The initial deliverable from the group will be to identify key questions or barriers that need to be addressed and develop a comprehensive inventory of current, Ontario smart grid activities underway.
- 6) The Forum will support the Ministry in its endeavours to develop further smart grid policy .

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### Membership:

The Chair discussed three developments in regards to the membership of the Smart Grid Forum:

- 1) The Forum continues to solicit a nominee from the Association of Power Producers of Ontario (APPrO) for a generator representative and has been assured that one will be forthcoming.
- 2) The Forum has received a request from the Electricity Distributors Association (EDA) to have two additional EDA board members join the Forum. On this point, the group authorized the Chair to accept a single additional representative from the LDC community.
- 3) Toronto Hydro identified that Anthony Haines will not be able to attend all meetings and that Ivano Labricciosa will be his delegate and attend as needed.

### Smart Grids Standards:

Don Tench discussed developments in regards to smart grids standards work being carried out by the U.S. National Institute of Standards and Technology (NIST). See also, meeting materials distributed.

Edward Arlitt discussed developments in regards to smart grids standards contributions to the NIST effort being carried out by the North American Energy Standards Board (NAESB). See also, meeting materials distributed.

A Forum member expressed concern that some U.S. standards, particularly in the area of security may go beyond what may be needed from a Canadian standpoint in terms of both cost and efficacy.

There was an extensive discussion as to how Ontario might react to the vast body of emerging smart grids standards. Don Tench pointed out that the Standards Council of Canada is developing the ability to monitor developments in the US and the EU and making recommendations from a Canadian standpoint. Furthermore this area of work could prove useful to the work of the Forum.

A Forum member suggested the possibility of having a working sub-group actively monitor the standards issue and make recommendations to the Forum.

Another member suggested that the Forum needs to better understand the upcoming decision points and milestones in regards to standards and the nature of the choices that may have to be made.

Another member suggested that the additional policy that the Government will be working on may need to give reference to compliance with international standards.

### Meeting Chair:

The Chair requested that members consider accepting MEI as a Co-Chair for the next period of Forum activity when Forum input to additional policy will be developed. There was general agreement that this arrangement would be acceptable, depending on how MEI intended to engage with the Forum. Ultimately however, MEI indicated that they would rather continue to receive advice from the Forum in its current capacity as opposed to serving a co-chair role.

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### Next Meeting:

The group agreed to hold the next meeting on the morning of Monday, December 14<sup>th</sup> - details to follow.

### Approval of previous minutes:

The meeting minutes of the July 29<sup>th</sup> meeting were approved without further amendment.

**12:15 – Adjournment.**