

Ontario Smart Grid Forum

Ontario's Smart Grid Forum Notes of Meeting

Date: **Monday, December 14, 2009**
Time: 09:00 to 12:00
Location: IESO Minto Plaza Office, Main Boardroom
655 Bay Street, Suite 410
Toronto, ON

Forum Members Attending:

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

Working Group Members Attending:

Lisa Dignard-Bailey Natural Resources Canada (by telephone)

Presenters and other attendees:

Edward Arlitt	IESO
Usman Syed	Ministry of Energy and Infrastructure
Annamaria Cross	Ministry of Energy and Infrastructure

09:00 – call to order, attendance

Amendments to the minutes of the November 24th meeting of the Smart Grid Forum:

The Forum approved the minutes of the November 24th with some minor amendments.

Action Item: MEI to consider whether or not the November 24th minutes should be published, and if so, whether or not any portions thereof should be redacted. In the meantime it was agreed that the minutes of the Smart Grid Forum from November 24th onwards would not be published until this matter was decided.

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Agenda Item # 2: “Discuss Schedule for Ministry of Energy and Infrastructure”

Jon Norman began by discussing the activities of the December 4th meeting of the Ministry of Energy and Infrastructure (MEI) smart grids policy working group and then proceeded to outline the forthcoming roadmap development schedule:

- The MEI is looking for a roadmap encompassing the 3 *Green Energy Act* (GEA) policy focus areas (namely, “Consumer Control,” “Utility Flexibility,” and, “Adaptive Infrastructure”) which were previously presented to the SGF at the November 24th meeting.
- By approximately the end of January, the policy recommendations from the SGF will feed into an internal policy development exercise within the Ontario Government, and would likely culminate in a Cabinet level discussion of the issue. This would likely lead to a governmental policy statement of some form on the topic of smart grids. This policy statement wouldn’t necessarily be prescriptive in nature or set out specific targets.
- In the MEI’s view it is important that the province’s smart grid road map doesn’t bifurcate into 80 different plans across the distribution sector. However, this doesn’t necessarily mean that the plan has to be uniform for the entire province either.

A Forum member raised the question as to whether or not the SGF should schedule two meetings for the month of January in light of this work schedule. Jon Norman agreed that would be helpful.

Action Item: Jon also highlighted the importance of a comprehensive set of interviews that the MEI was planning on conducting across a wide cross-section of the industry. Members of the MEI smart grids policy working group have already been asked to provide a list of nominees for these interviews and SGF members are also being asked to do the same.

A Forum member suggested that the roadmap should focus on general principles such as economic development, data transparency and coordination.

Another Forum member suggested that the roadmap find areas of uniformity in policy across the province, but allow for sufficient flexibility at the implementation level. As an example, the roadmap should lead to functional specification of what the technologies need to do, but leave the technological selection to the industry to determine.

Agenda Item # 3: “Review of preliminary findings of the MEI Roadmap working group “

Jon Norman presented a slide deck entitled “*Developing the Smart Grid Plan*”. During the presentation there was extensive discussion at various slides:

Slide 2:

It was explained to the Forum that this effort is somewhat relevant to the Government of Ontario’s recent efforts to promote Ontario technologies abroad. On this point, a Forum member asked what will success look like, and will certain Ontario-based technologies be preferred?

The analogy to the smart metering initiative frequently came up during discussion. Many Forum members felt that this example highlighted the need to strike a balance between the need to meet overall policy objectives, cost minimization, and the risks of over-specifying a given type of technology.

A Forum member posed the question as to the status of Ontario industry in each of the three GEA focus areas. The MEI is currently engaged in preliminary efforts to assess this.

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Slide # 3:

It was indicated that the government likely doesn't want to be overly prescriptive in the area of distributed generation.

Jon further discussed the taxonomy of the policy roadmap in greater detail. The recent discussions of the MEI Working Group had focused extensively on the meaning of "Utility Flexibility" and "Adaptive Infrastructure".

There was then a discussion on the cost and value proposition of distributed generation. It was noted that distributed generation can raise or lower local power quality, depending on how well it is handled.

A Forum member noted that this was a good area for the policy to provide clarity as to whether or not the objective was to improve or maintain power quality. With this choice there are significant implications for the distribution sector. Furthermore, it was noted that the policy should address the activities to enhance reliability, enhance the planning process, have a better local grid, encourage renewable energy sources, and better utilize the assets of the distribution system.

The question was raised as to whether or not the MEI working group has adequate insight into reliability "baseline" of the current grid. This led to an extensive discussion of benchmarks and measurement methods. It was noted that future, more accurate measurement methods might lead to a false impression that reliability was in fact getting worse, when in reality the new measurement methods are simply portraying a more accurate picture of the current situation. Another member suggested that clarifying the objectives needs to precede the development of the benchmarks.

Slide # 5 (utility flexibility):

A member stated that this was a good statement of objectives and highlights the appropriate level where government can be most effective in setting policy.

Slide # 6 (adaptive infrastructure):

The Forum generally felt that this topic highlights the need for overall cohesion between the three GEA focus areas. In this area, principles of standards and information exchange would be most important.

Action Item:

The Forum then agreed that all Forum members should undertake to identify the high-level principles and provide some statements to this effect under the three GEA focus areas. These should be submitted to Jon Normal and Don Tench by Friday, December 18th so that they can be collated. The Chair noted that the next Forum meeting should devote some time to discussing these high-level principles.

Agenda Item # 4: "Discussion of MEI questions to be answered by the SGF"

The Forum agreed that they should address the questions circulated by the MEI.

The discussion began with considerable debate around the question of In-Home Displays (IHDs) and whether or not the government to specify such technology. A Forum member commented that the government shouldn't select specific technologies. As long as there are adequate standards in place, this is where the public interest ends on this matter.

A Forum member posed the question as to when LDCs should become involved in "seeding" a new technology and when do they get out of such efforts.

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There was then some discussion on the appropriate “tone” to take with customers in regards to control vs. choice. A Forum member suggested that the government cannot have the appearance of forcing IHDs on customers and then making them pay for it. Another Forum member suggested that customer control and customer education go hand-in-hand with one another in order to prevent the perception that something is being forced on them.

A Forum member emphasized the importance of setting up the Smart Grid Partners Committee and that its members have the greatest ability to turn policy into reality.

During the discussion of IHDs a Forum member observed that IHDs raise the question of whether or not such policies should contribute to creating an economic value chain here in Ontario. Does a policy fostering Ontario content drive the policy towards a mandatory approach, or should it be incentive based?

A Forum member questioned whether or not IHD technology would have to be used in every home in Ontario as a matter of policy. On this point, diverging views were expressed by various members.

11:50 to 12:00 - lunch break

Agenda Item # 6: “Opportunities for MEI Smart Grid Fund (\$ 50M over 5 years)”

The group generally understood and agreed that the utilization of the Smart Grid Fund is a relatively urgent matter.

Action Item: Some Forum members agreed to provide feedback directly to the MEI about what the fund should do.

Both the Fund and the Ontario Centres of Excellence have a mandate to aid in the commercialization of smart grid technologies.

A Forum member suggested that perhaps a timeline for making awards should be set. He noted that in some U.S. jurisdictions, this has proven to be a very effect means of keeping the process moving along.

Agenda Item # 6: “Status and Role of Smart Grid Partners Committee”

Edward Arlitt (IESO staff) spoke to the discussion paper circulated to members, regarding the establishment of the Smart Grid Partners Committee. An issue of particular importance noted in the paper, was the question of the degree of overall independence that the Smart Grid Partners Committee should have.

In general terms some of the guidance that the Forum provided, included the following, potential features:

- 1) The Committee should not be an entirely independent body. Some members felt that all aspects of the Committee should be completely controlled by the SGF, while others felt some degree of flexibility could perhaps be allowed for in the Terms of Reference.
- 2) There should be no funding requirement from members beyond time spent on this effort
- 3) The first meeting has to happen as soon as possible.
- 4) The Committee could perhaps have an elected Chair that also has a seat on the SGF – although that person’s participation may have to be limited to specific activities so as to avoid any potential conflict of interest.

The question was raised whether or not the Committee should also include academic institutions, non-governmental organizations and other non-profit agencies. On this point, the group generally felt that

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membership should be confined to commercial entities that are clearly related to the three GEA focus areas.

Action Item: The IESO will develop a draft proposal for the next meeting of the SGF.

Next Meeting:

The group agreed to hold the next meeting on the morning of January 18th, 2010 - details to follow.

*** It was also agreed that the SGF would likely convene a second meeting for the month of January.

12:45 – Adjournment.