

Ontario Smart Grid Forum

Ontario Smart Grid Forum
Notes of Meeting
([Amended by SGF on July 13th, 2010](#))

Date: **Tuesday, June 8, 2010**
Time: 09:00 to 13:00
Location: IESO Minto Plaza Office, Main Boardroom
655 Bay Street, Suite 410
Toronto, ON

Forum Members Attending:

Keith Major	Bentall LP
Wayne Smith	Hydro One
Norm Fraser	Hydro Ottawa (by telephone)
Paul Murphy	IESO
Don Tench	IESO
Jim Huntingdon	Niagara-on-the-Lake Hydro
David McFadden	Ontario Centres of Excellence
Brian Hewson	Ontario Energy Board
Jon Norman	Ontario Ministry of Energy and Infrastructure
Paul Shervill	Ontario Power Authority
Craig Martin	TransCanada (by telephone)
Jatin Nathwani	University of Waterloo
Axel Starck	Veridian Corporation (for Michael Angemeer)

Working Group Members Attending:

Raed Abdullah	Hydro Ottawa (by telephone)
Edward Arlitt	IESO

Guests:

Sean Brady	Ontario Power Authority
Barry Beale	Ontario Ministry of Energy and Infrastructure
Ron Dizy	Sempa Power (attended for agenda item # 6 only)
Carlos Silva	Sempa Power (attended for agenda item # 6 only)
Omar Alghabra	Sempa Power (attended for agenda item # 6 only)

NOTE: These minutes are appended with a cumulative list of outstanding and closed Forum Action Items.

09:00 – call to order, attendance, and confirmation of the agenda

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Agenda Item # 1 – Minutes of previous meetings:

Minutes of the April 19th meeting of the Smart Grid Forum:

Having received no further comments to the April 19th minutes by the previously assigned deadline of **Friday, May 21st** the minutes were declared as final.

Minutes of the May 17th meeting of the Smart Grid Forum:

The draft minutes of the May 17th meeting of the Forum were tabled with an **ACTION ITEM** to provide comments by **June 11th**.

Agenda Item # 2: OEA Smart Grid Forum Corporate Partners Committee

Ontario Energy Association (<http://www.energyontario.ca/>).

Possible additional nominations to the Smart Grid Forum Corporate Partners Committee were discussed, including: GE, CISCO, Union Energy, the Electro Federation of Canada, and Bell Canada.

Don Tench (IESO) indicated that it would be desirable to hold a joint meeting between the Forum and the Corporate Partners meeting before the next forum meeting in July. However, during subsequent discussion it was agreed that it would be better to extend the Forum's next planned meeting on July 13th to a full-day session whereby the morning would be devoted to Forum business and the afternoon would be devoted to a joint session with the Corporate Partners Committee.

Agenda Item # 3: Discussion: Potential Impact of Smart Grid on Rates

Jon Norman (MEI) began the discussion with some opening remarks and mentioned that there is a keen interest on the part of the Ontario government to address smart grid cost issues. It was acknowledged that cost estimates may be difficult to develop given the nature of some of the societal costs and benefits involved. The government plans to stakeholder the high-level Smart Grid principles previously discussed within the Forum with the Electricity Distributors' Association. A key issue that now needs to be addressed, is to potentially revise the estimates from the original, 2009 report of the Forum.

During discussion, comments from various Forum members included:

- The estimates contained in the original the original, 2009 report of the Forum were very rough.
- The UK government has perhaps done some advanced work on cost estimates, but another Forum member suggested that those estimates may only encompass their pending smart metering efforts.
- We need to look at low cost alternatives, and specifically we need to engage the private sector on cost reduction techniques and ideas.
- The OPA has issued a vendor RFP which seeks to discover cost and techno aspects of Demand Response technology.
- Hydro Ottawa is about to file with the Ontario Energy Board, estimates with respect to its work to fulfill commitments under the *Green Energy Act*. Planned expenditures have recent been scaled back for this filing.
- Any customer costs included in the estimates need to be clearly linked back to the associated benefits. It is inevitable that costs associated with the *Green Energy Act* objective of 'Utility

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Flexibility' will need to be allocated back into the rate base. Consumer benefits need to be better defined and therefore need to be clearly linked to these particular costs.

- Certain costs should not be socialized, although some smart grid components that enable the use of certain consumer technologies may need to be treated as common infrastructure costs.

Q: "How do we use the cost discussion to advance our objectives?"

- Some elements need to be severed from the category of "smart grid" costs. Asset management decisions and in-home technologies may be two examples of this.
- FIT and microFIT programs are forcing LDCs to incur costs, but it is not fair to levy all of this on the [local](#) ratepayer.
 - However, if the goal is "uptake" of the smart grid, then the LDC's will have to incur some of these costs.
 - Upgrades to the overall system should be socialized
- We need to let the private sector build up an "iPhone" mentality amongst consumers

Q: "Where do we draw the line on smart grid costs?"

- There is still a role for cost estimates of some form
- A Forum member suggested that maybe we should stop talking about the smart grid as a separate cost component.
- Smart grid is an enabler, but there is a huge gap between enablement and consumer understanding
- Questions about costs must be answered through engagement with the Corporate Partners and the development of the a costing model

ACTION ITEM: The Working Group should commence the development of smart grid costing model

ACTION ITEM: Distributor members of the Forum should contribute their experience to this effort.

{10:30 break}

Agenda Item # 4: Report back from the Working Group

Edward Arlitt (IESO staff) walked the Forum members through the slide deck containing the report back from the Working Group (see also, slide presentation for Agenda Item # 4). During the discussion about engaging the Corporate Partners Committee, some of the comments from various Forum members included:

- Electric Vehicles are a great area to engage the consumer, given the growing interest in them;
- We need to broaden the Electric Vehicles scope of the Corporate Partners Committee
- We need to look at "innovation" - not just roles and responsibilities, and the Corporate Partners Committee is the right place to do this.

Agenda Item # 5: Theme Topic Discussion: "Demand Response"

(See also, presentation for this agenda item)

Note: In the interests of time, the slide deck was not presented in its entirety. Edward Arlitt (IESO staff) presented portions of slide deck pertaining to the specific questions for Forum members (see also, slide presentation for Agenda Item # 5).

Slide 10: Paul Shervill (OPA) and Sean Brady (OPA) spoke to some of the OPA's demand response initiatives. They mentioned that the Integrated Power System Plan (IPSP) is currently in the process of being revised. Updated Conservation and Demand Management (CDM) targets will be revealed as part

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of the next IPSP update. During this portion of the discussion regarding the Minister's recent directive to the OEB¹ they also outlined that it is the OPA's role to design DR programs, but the LDCs may also do so, as long as they don't overlap with province-wide programs. It is expected that various codes and standards will help meet approximately 30% to 40% of the Minister's targets.

Q: What do the IPSP targets represent in terms of the EPRI planning model discussed on slide 10? **A:** The IPSP targets represent the equivalent of the "achievable potential" across the various programs. Achieving a specific target is affected by many scenarios, including economic ones.

Q: How much of the DR target will be enabled by the Smart Grid.? **A:** Too early to tell at this point. At the moment, there is increased interest amongst larger industrial/commercial customers, but small customers will become a larger portion of the contribution of over time.

Other comments from Forum members during the discussion and slide presentation:

- FIT and microFIT programs will push up peak prices
- We need stability in the landscape in order to encourage investment and the participation of various types of aggregators. Specifically we need to take a closer look at the ratio of time-of-use on-peak prices vs. off-peak prices, and the impact it has on these activities. On this point, there was significant discussion of the potential political ramifications of the on/off peak ratio.
- The potential for DR is limited overall and we should focus on grid operations instead.
- We need to look at the performance of non-regulated programs as well.

12:00

Paul Murphy commended the Working Group for the work recently done on cost allocation and the Demand Response Problem tree.

Agenda Item # 6: Special Presentation: "Sempa Power"

Guests presenting from Sempa Power:

- Ron Dizey, President & CEO
- Carlos Silva, EVP, Operations
- Omar Alghabra, VP, Market Development

(See also, presentation for this agenda item)

Next Meeting:

Tuesday, July 13th, 2010 (possible all-day session, details to follow).

13:00 – Adjournment.

¹ See also, Minister's Directive (order-in-council 437/2010) to the Ontario Energy Board on conservation and demand management

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APPENDIX 'A' S.G.F. **OPEN** Action Items as of June 8, 2010

Action Item	Date Assigned	Assigned To	Target Completion	Status
Report back to the Forum as to when other materials pertaining to advice to government since Fall, 2009 might be suitable for publication.	May 17 th	Jon Norman	TBD	OPEN
Jatin Nathwani to report back to the Forum on the salient points of emerging standards for Electric Vehicle charging stations in order to support a future discussion on the matter.	March 9 th , 2010	Jatin Nathwani	May 17 th	OPEN
Examine the <i>IESO Market Rules</i> from the standpoint of whether or not they present any barriers to participation of load aggregators, and scheduling service providers in the wholesale market or otherwise conflict with the smart grid interoperability framework.	Feb. 9, 2010	IESO Staff	TBD	OPEN

APPENDIX 'B' S.G.F. **CLOSED** Action Items as of June 8, 2010

Action Item	Date Assigned	Assigned To	Target Completion	Status
Working Group should commence the development of smart grid costing model	June 8 th	Working Group	TBD	CLOSED
Distributor members of the Forum should contribute their experience to the working groups examination of smart grid costs.	June 8 th	LDC Forum members	TBD	CLOSED
Report back to the Forum on potential nominations for the Corporate Partners Committee.	May 17 th	Don Tench, Gregor Robinson and Jon Norman	June 8 th	CLOSED
Forum members should familiarize themselves with the seven privacy principles which are contained in Appendix 'A' of the IPC's smart grid discussion paper entitled " Smart Privacy for the Smart Grid: Embedding Privacy into the Design of Electricity Conservation November 2009 ".	April 19 th 2010	All Forum Members	May 17 th	CLOSED
Edward Arlitt (IESO staff) to draft an outline of the 2010 Annual Report of the Ontario Smart Grid Forum for consideration by the Forum.	March 9 th , 2010	Edward Arlitt	May 17 th	CLOSED
The Working Group should map the interoperability issues screening criteria it came up with to current Ontario activities and highlight to the Forum specific topics of interest that meet the screening criteria.	April 19 th 2010	Working Group	May 17 th	Initial report made on May 17 th . Ongoing examination of this topic will continue.
The SGF Working Group should recommend smart grid interoperability standards-related issues that the Forum should focus on	March 9 th , 2010	SGF Working Group	April 19 th 2010	CLOSED
The Forum Working Group should suggest what survey questions might be posed to the CEA Corporate	March 9 th , 2010	SGF Working Group	April 19 th 2010	CLOSED

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Action Item	Date Assigned	Assigned To	Target Completion	Status
Partners Committee for the purposes of developing the Forum's next annual report.				
Wayne Smith to seek positive confirmation from the CEA that additional Ontario nominees for the Corporate Partners Committee will not have become full-fledged members of the CEA.	March 9 th , 2010	Wayne Smith	April 19 th 2010	CLOSED as a result of OEA proposal
Forum members were asked to make any further suggestions for additions to the list of Additional Nominations for CEA Corporate Partners Committee as soon as possible.	March 9 th , 2010 and Feb. 22 nd , 2010	Forum Members	April 19 th 2010	CLOSED as a result of OEA proposal
Forum members to review the RACI matrix in light of March 9th discussion and convey any further comments to IESO staff.	March 9 th , 2010	Forum Members	April 19 th 2010	CLOSED
The SGF Working Group should identify those principles that are truly unique to the smart grid where new roles and responsibilities might need to be defined.	March 9 th , 2010	SGF Working Group	April 19 th 2010	CLOSED
The SGF Working Group should identify those principles where it feels that that accountabilities for that topic are too diffuse (based on the entries in the RACI matrix) and make recommendations as to how this might be rectified.	March 9 th , 2010	SGF Working Group	April 19 th 2010	CLOSED
Ministry Staff and the Chair will coordinate the timing of any such communications between the Forum and the Ontario Government regarding the Smart Grid Opportunities Fund.	March 9 th , 2010	Ministry Staff and Forum Chair	April 19 th 2010	CLOSED