

SGF Agenda Items 1 to 3

Ontario Smart Grid Forum
Tuesday, August, 2010



- The final minutes of the June 8th and May 17th meetings (as amended at the July 13th SGF meeting) were distributed on August 3rd.
- Draft minutes of the July 13th Forum meeting
 - Circulated for comment
- Draft minutes of the July 13th joint meeting between the Ontario Smart Grid Forum and Corporate Partners Committee
 - Circulated for comment

- Report back from the Corporate Partners Committee – Shelley Lewis (Chair)
 - General report back regarding recent meeting of the Corporate Partners Committee
 - Previous Action Item: deliberations on success criteria for the smart grid
 - New business items and issues

Agenda Item # 3:

Report back from the Working Group

Recall: action item assigned by SGF to working group on June 8th:

“The Working Group should commence the development of a smart grid costing model.”

Recall: On July 13th the Smart Grid Forum provided further instruction to the Working Group to develop interim estimates by September and to scale-down the scope of the cost benefit analysis originally proposed...

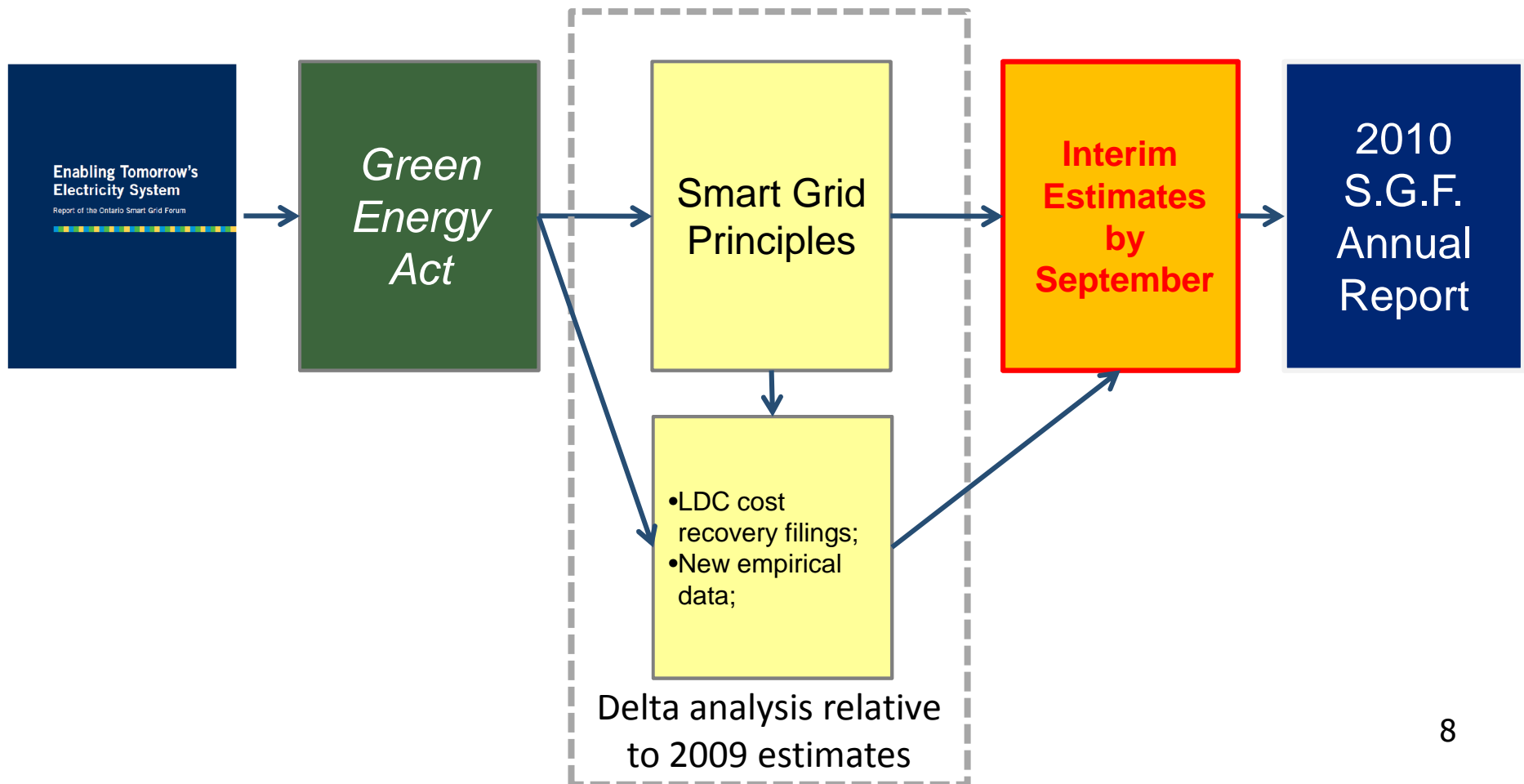
- Feedback from SGF –from the **DRAFT** minutes of the July 13th SGF (subject to SGF review):
 - “Forum members generally liked the approach of linking potential benefits of the smart grid to the associated cost components.
 - The Working Group will largely be tied up in this effort for the remainder of the year, if it proceeds along the lines proposed. Several members expressed concerns about this, as there will likely be other topics the Working Group will need to address during this timeframe. Several members suggested that this effort needs to be simplified in order to prevent it from becoming a full-blown cost benefit analysis. In this sense, the effort should be re-scaled such that it doesn’t completely utilize the Working Group’s time between now and the end of the year.
 - A lot of what constitutes the “smart grid” is part of the utility’s normal capital cost planning cycle.
 - A member expressed concerns over potential errors in the estimates and their impact on the Forum’s credibility. While some members agreed with this point discussion on this point however, did not cause the Forum to question the underlying need for conducting this work. “

- The estimates in the 2009 Annual Report cannot be ignored. Any revisions to the estimates must be explainable.
- Not enough time to do a comprehensive Cost Benefit Analysis – though this doesn't preclude additional discussion of associated smart grid benefits in the Annual Report.
- Time constraints between now and September.

2009

2010

2011



- Types of potential variance from smart grid costs estimates contained in the 2009 report:
 - Volumetric implications of the *Green Energy Act*
 - Scope and breadth of LDC data available on such a short timeframe between now and September
 - Methodological estimation differences within each LDC since the 2009 report was prepared
 - Ongoing interpretation and application of the Smart Grid Principles within the various regulatory instruments over the remainder of 2010

Definitional Scope:

- In addition to a variance analysis (relative to the 2009 estimates) a sharpened definition of smart grid costs seems to be required:
 - Working proposal: definition of "Smart Grid costs" narrowed to include costs directly related to incremental smart grid functions not part of the utility's normal investment cycle.
- **Question to the Forum: Is this an appropriate direction to take?**

- **Key deliverables:**

Near Term:

- Updated financial projections from LDCs that are currently members of the working group following a similar methodology as the 2009 report

For 2010 Annual Report:

- Variance analysis of differences between 2009 and 2010 projections
- Discussion of associated smart grid benefit

- Timing:
 - Interim cost estimates are being developed for September using the limited resources available within a very tight time frame – **Question to the Forum:** to what end will they be used exactly? Does the answer to this question further affect whether or not the estimates can be revised again prior to the 2010 Annual Report?

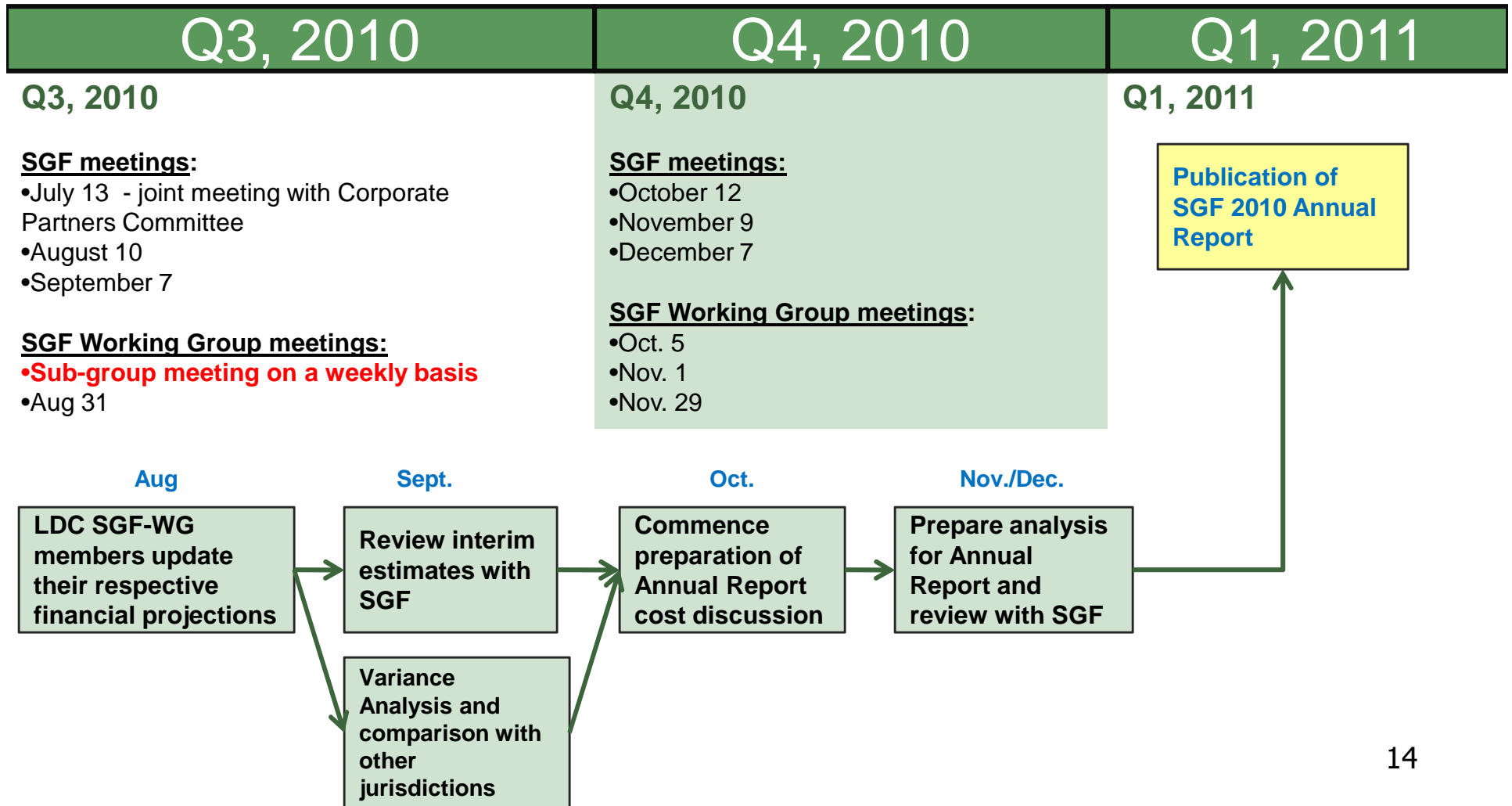
- **Method:**

- Revise estimates from the 2009 Forum Annual Report using same methodology as before and more current LDC data to develop a revised “base case view”
- Include more recent considerations (e.g. *Green Energy Act*) and a more definitive view of what constitutes “smart grid costs”

Pros	Cons
1) Consistency and continuity 2) All departures from previous year's estimates should be explainable. 3) Less opportunity cost for other working group activities.	1) Cost-focused (as to a complete cost-benefit assessment) 2) Not as comprehensive as the original plan set out in working group

Agenda Item # 3: Expedited Approach

Work Plan:



Agenda Item # 4:

Special presentation from IBM Canada regarding
their report,

“Home Energy Management in Ontario”

Agenda Item # 5: Follow-up Discussion to IBM Presentation

- Follow-up discussion following IBM presentation: Future roles for AMI and home gateway devices:
 - What is the way forward for Ontario?
 - Where should the public utility's interest in the proliferation of these technologies begin and end?
 - Are we on the right track and if not, what issues should be raised in the 2010 Annual Report of the Forum?



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On Demand.

Thank you.