# IESO Engagement Update February 15, 2024

This engagement update provides a snapshot of all active IESO engagement activities. It also helps support a greater understanding of linkages between engagements, and a foundation for more comprehensive and integrated updates. For the most recent information, visit the individual engagement links or the Engagement Initiatives web page.



### Forecasting and Planning

Engagements to support provincial and regional electricity planning over the next 20 years.

Active Engagement	Current Status	Next Steps
Annual Acquisition ReportThe Annual Acquisition Report (AAR)translates planning and operationalinformation into a series ofprocurement and market activitiesusing the Resource AdequacyFramework.Engagement Lead: Trisha HicksonRelated Engagements:• Resource Adequacy	<ul> <li>A webinar was held in October 2023, to discuss the IESO's plan to merge the AAR into the Annual Planning Outlook (APO).</li> <li>Seven feedback submissions were received following the webinar and have been posted to the engagement webpage.</li> <li>The anticipated release date for the 2023 APO is February 2024.</li> </ul>	<ul> <li>This engagement has now concluded.</li> <li>A final engagement summary report will be posted to the engagement webpage in February.</li> </ul>



Active Engagement	Current Status	Next Steps
Bulk Planning – Central West This engagement will seek input from stakeholders and communities on the Central-West Bulk Planning initiative. Engagement Lead: Fatema Khatun	<ul> <li>A report outlining the results of Stage 1 of the planning study will be published in Q1 2024.</li> <li>A public engagement session will take place on Feb 23 during Stakeholder Engagement days to present an overview of the upcoming bulk transmission system planning activities and proposed engagement approach, as well as provide an update on the Central-West bulk plan.</li> </ul>	• The public Report on Central-West Bulk Study will be published in March 2024.
<b>IESO Market and Planning Data</b> <b>Engagement</b> Engagement to better understand how the IESO can provide greater access to Market and Planning data. <i>Engagement Lead:</i> <b>Fatema Khatun</b>	<ul> <li>This engagement was announced in the IESO Bulletin on November 23, 2023.</li> <li>Stakeholders were invited to complete a questionnaire on their preference on data access and the use of data.</li> <li>IESO received 11 responses to the questionnaire.</li> </ul>	• An engagement session on the findings from the questionnaires to better understand the views of IESO Market and Planning data will be planned for March, 2024.
Northern Ontario Voltage Study The IESO will share outcomes of a voltage study addressing current limitations in Northern Ontario's electricity infrastructure. The IESO is actively assessing strategies to ensure reliability and stability amid transformative changes. <i>Engagement Lead:</i> Fatema Khatun	<ul> <li>The <u>Bulk System Reactive</u> <u>Requirement in Northern Ontario</u> <u>Study</u> was published in December 2023.</li> <li>A webinar was held in December to present the findings of the voltage study.</li> </ul>	<ul> <li>This engagement has now concluded.</li> <li>A final engagement summary report will be posted to the engagement webpage in Q1 2024.</li> </ul>

Active Engagement	Current Status	Next Steps
Regional Planning – Burlington to Nanticoke Regional electricity planning is underway in this region. <i>Engagement Lead:</i> Andreea Nicoara <i>Indigenous Relations Lead:</i> Nadia Mirabelli	<ul> <li>A webinar was held in September 2023 to provide an overview and seek input on the draft electricity demand forecast and the engagement plans for each of the three sub-regions – Brant, Hamilton and Caledonia- Norfolk.</li> <li>Three feedback submissions were received and have been posted to the engagement webpage, along with an IESO response to the feedback.</li> </ul>	• Engagement will continue to develop Integrated Regional Resource Plans (IRRP) for the region.
Regional Planning – Ottawa Area Sub-Region Regional electricity planning is underway in this region. <i>Engagement Lead:</i> Sari Gerwitz <i>Indigenous Relations Lead:</i> Nadia Mirabelli	<ul> <li>The final Scoping Assessment Outcome Report was posted in March 2023, recommending the development of an IRRP for the Ottawa Area sub-region.</li> <li>The report also concluded that no further coordinated regional planning is required for the Outer Ottawa East and West Sub-regions.</li> </ul>	• Engagement on the Ottawa Area sub-region IRRP will begin in Q2 2024.
Regional Planning – Toronto Regional electricity planning is underway in this region. Engagement Lead: Sari Gerwitz Indigenous Relations Lead: Nadia Mirabelli	• The final Scoping Assessment Outcome Report was posted in March 2023, recommending the development of an IRRP for the Toronto region.	• Engagement on the Toronto area IRRP is targeted to begin in Q1 2024.
Regional Planning – GTA North(York Region)Regional electricity planning isunderway in this region.Engagement Lead: Sari GerwitzIndigenous Relations Lead: NadiaMirabelli	• The final Scoping Assessment Outcome Report was posted in October 2023, recommending the development of an IRRP for GTA North (York Region).	Engagement on the York Region IRRP will begin in Q2 2024.

Active Engagement	Current Status	Next Steps
Regional Planning – Windsor-Essex Regional electricity planning is underway this region. Engagement Lead: Andreea Nicoara Indigenous Relations Lead: Nadia Mirabelli		<ul> <li>Engagement will continue with respect to developing an IRRP for the region until Q4 2024.</li> </ul>
<b>Transmission Losses</b> This engagement will review the IESO's and Hydro One's practices on how transmission losses are considered in planning and operation of the system, a comparison of these practices to those used in other jurisdictions, and seek stakeholder feedback on potential improvements to these practices. <i>Engagement Lead:</i> <b>Jason Grbavac</b>	The Transmission System     Losses: Evaluation Guideline was     posted in June 2023.	<ul> <li>This engagement has now concluded.</li> <li>A final engagement summary report has been posted to the engagement webpage.</li> </ul>

# **Resource Acquisition**

Engagements to ensure we have the tools and processes to acquire the resources we need to maintain a reliable and efficient system.

Active Engagement	Current Status	Next Steps
Capacity Auction EnhancementsThe annual Capacity Auction is one ofthe procurement mechanisms included inthe IESO's Resource AdequacyFramework and serves as the short-termbalancing mechanism in the framework,securing the capacity required to meetOntario's short-term resource adequacyneeds.Engagement Lead: Trisha HicksonRelated Engagements:• Resource Adequacy• Demand Side Vision	<ul> <li>An engagement webinar was held in November 2023 to provide present participant performance analysis as well as a technical session to discuss the prioritization of suggested enhancements for future auctions.</li> <li>Two submissions were received following the webinar and have been posted to the engagement webpage along with the IESO's response to feedback</li> </ul>	Engagement will continue in March 2024 to discuss prioritization of future enhancements.
Demand-Side VisionThe IESO is continuing discussions with the Demand-Side community to explore the enhancement of Demand-Side Resources in the IESO-Administered Market and programs. The initiative addresses key issues and opportunities from the Demand-Side community, planning to prioritize improvements to Demand Response participation models. Engagement Lead: Trisha Hickson Related Engagements:•Enabling Resources Capacity Auction Enhancements	• A targeted stakeholder session to discuss next steps on improvements to Demand Response participation models took place in December 2023.	<ul> <li>Public engagement sessions will be held in Q1 2024 to continue discussions on improvements to Demand Response participation and feedback from technical sessions will be shared.</li> </ul>

Active Engagement	Current Status	Next Steps
Transmitter Selection Framework The IESO is developing a Transmitter Selection Framework (TSF) to align with the Powering Ontario's Growth report's actions and plans, with a progress report due to the Minister by Summer 2024. <i>Engagement Lead:</i> Fatema Khatun <i>Community Engagement Leads:</i> Sonia Fazari and Andreea Nicoara	<ul> <li>First public focused engagement session will be held on February 29, 2024. The session will be open to all interested Stakeholders, First Nations, and Communities.</li> <li>The January 17 webinar for Indigenous communities and municipalities introduced the TSF.</li> <li>15 feedback submissions following the January 17 webinar were received and have been posted to the community engagement webpage. 14 of the 15 submissions included specific feedback for TSF.</li> </ul>	<ul> <li>Community engagement with Indigenous groups and municipalities will continue through Q1 and Q2.</li> <li>A Progress Report is due to the Ministry of Energy by Summer 2024.</li> </ul>
Distributed Energy Resources (DER)         Market Vision and Design Project         The IESO is seeking feedback from         stakeholders on how to cost-effectively         enhance the value DERs can provide to         Ontario's electricity system by expanding         participation in the wholesale markets.         Engagement Lead: Jason Grbavac         Related Engagements:         DER Potential Study         DER Roadmap         Enabling Resources Program         Hybrid Integration Project_         Innovation and Sector Evolution         White Paper Series         Resource Adequacy	The work completed under the DER Market Vision and Design Project will be transitioned to the Enabling Resources Program engagement.	<ul> <li>A final engagement summary report will be posted to the engagemen page in Q1 2024.</li> <li>See the Enabling Resources Program engagement for further information.</li> </ul>

Active Engagement	Current Status	Next Steps
Distributed Energy Resources (DER) Roadmap The IESO is seeking feedback on the development of a roadmap to set out approaches and expected timing for enhancing DER participation in the IESO- administered markets for the products/services they are technically capable of providing. <i>Engagement Lead:</i> Jason Grbavac <i>Related Engagements:</i> Joint Study of DER Incentives DER Market Vision & Design Project DER Potential Study Enabling Resources Program Hybrid Integration Project IESO York Region Non-Wires Alternatives Demonstration Project Resource Adequacy	<ul> <li>A joint meeting with the Ontario Energy Board was held on November 27 on the DER Integration Framework for Energy Innovation where updates were provided on cross-cutting issues and the work of the two organizations as it relates to DERs, including on the Joint DER Incentives Study.</li> <li>The meeting also included a panel on the 2021 Grid Innovation Fund and Innovation Sandbox Projects.</li> </ul>	<ul> <li>A response to feedback from the November webinar will be posted to the engagement page in advance of the next meeting which is expected in Q2 2024.</li> </ul>
<b>Enabling Resources Program</b> The IESO is seeking feedback from stakeholders on the development of an integrated plan that will outline the sequencing, timing and scope of activities to be undertaken by the IESO to enable existing electricity resources to provide electricity system services in the renewed Ontario wholesale market that they cannot, or cannot fully, currently provide.	<ul> <li>IESO held a webinar in October 2023 to provide a status update and next steps on the Enabling Resources Program.</li> <li>Four feedback submissions were received and have been posted to the engagement webpage.</li> </ul>	• A response to feedback document will be posted to the engagement page, and the IESO intends to share an updated project plan in Q1, 2024, which will include next steps for integrating hybrids and DERs.
Engagement Lead: Jason Grbavac Related Engagements:		
<ul> <li><u>Capacity Auction</u></li> <li><u>DER Roadmap</u></li> <li>Hybrid Integration Project</li> </ul>		

- Hybrid Integration Project
- Innovation and Sector Evolution
   White Paper Series
- <u>Resource Adequacy</u>

Active Engagement	Current Status	Next Steps
Hybrid Integration ProjectThe IESO is seeking feedback on thedevelopment of participation model(s) toenable hybrid resources in the IESO-administered markets and have thecapability to support Ontario's futuresystem needs. The changes will beimplemented after the implementation ofthe Market Renewal Project.Engagement Lead: Jason GrbavacRelated Engagements:OER Market Vision & Design ProjectDER Potential StudyDER RoadmapEnabling Resources ProgramInnovation and Sector EvolutionWhite Paper Series	The work completed under the Hybrid Integration Project will be transitioned to the Enabling Resources Program engagement.	<ul> <li>A final engagement summary report will be posted to the engagement page in Q1 2024.</li> <li>See the Enabling Resources Program engagement for further information.</li> </ul>

### Active Engagement

### **Current Status**

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Long-Term RFPs

The IESO is engaging stakeholders and communities on the development of a series of Long-Term RFPs that will seek resources to address global needs. Engagements targeted to communities and the broader public are underway. *Engagement Leads:* **Trisha Hickson** *Community Engagement Leads:* **Sonia** 

### Fazari and Sari Gerwitz

Related Engagements:

- <u>Resource Adequacy</u>
- <u>Hybrid Integration Project</u>
- <u>Market Renewal Program (MRP)</u>
   <u>Implementation</u>
- A webinar for industry stakeholders was held in February 1 to provide an update on feedback received and provide further details on the revenue model, DER participation, additional capacity needs and other design considerations.
- Another webinar was held for industry stakeholders with provincial ministries on February 9.
- Two webinars were held for Indigenous communities and municipalities:
  - January 15 overview of electricity needs, procuring electricity, the role of Indigenous communities and municipalities.
  - January 17 growing electricity demand and the need for new infrastructure.
- 15 feedback submissions following the webinars were received and have been posted to the <u>community</u> <u>engagement webpage</u>.

### **Next Steps**

- Feedback from Indigenous communities and municipalities on the items presented during the January webinars was due by February 7, but will be accepted at any time.
- A response to feedback received following the January community webinars will be posted to the community engagement webpage.
- Community engagement will continue in Q2 2024.

Active Engagement	Current Status	Next Steps
Resource AdequacyThe IESO is engaging stakeholders tofurther develop a long-term competitivestrategy to meet Ontario's resourceadequacy needs reliably and cost-effectively while recognizing the uniqueneeds of different resources.Engagement Lead: Jason GrbavacRelated Engagements:DER Market Vision & Design ProjectDER Potential StudyDER RoadmapEnabling Resources ProgramLong-Term RFP	<ul> <li>A <u>Resource Adequacy Update</u> was provided in June where the IESO announced the results of a recent procurement for long-term supply. A total of 882 MW was secured for the province's planned storage fleet, while complementary processes such as the growing Capacity Auction are securing resources to respond to upcoming system needs.</li> </ul>	<ul> <li>Several Resource Adequacy initiatives such as the Procurements and Capacity Auction Enhancements have branched off into their own respective engagement streams (see related engagements).</li> </ul>
<b>Small Hydro Program</b> The IESO is engaging with the Small Hydro Community on the development and implementation of a Small Hydro Program (SHP) to provide new contracts for existing hydroelectric facilities with installed capacities of 10MW and below. The program aims to deliver value for ratepayers while providing a reasonable revenue stream for facilities to continue operating. <i>Engagement Lead:</i> <b>Trisha Hickson</b> <i>Related Engagements:</i>	<ul> <li>An engagement webinar was held in November 2023 to prepare the hydro community for the launch of the Small Hydro Program.</li> <li>An update was posted to the engagement webpage in December 2023 sharing that the Small Hydro Program had been launched.</li> </ul>	<ul> <li>This engagement has now concluded.</li> <li>A final engagement summary report will be posted to the engagement webpage in Q1 2024.</li> </ul>

<u>Resource Adequacy</u>

# Operations

Engagements to ensure that Ontario's electricity resources are operating reliably within the IESO-administered market, while also undertaking continuous market improvements.

Active Engagement	Current Status	Next Steps
Improving Accessibility of Operating Reserve The IESO is seeking feedback on an issue related to the Operating Reserve (OR), whereby the amount of OR scheduled is not fully accessible. Engagement Lead: Jason Grbavac	<ul> <li>At the June 2022 Technical Panel meeting, Panel members voted unanimously to recommend the proposed market rule amendments to the IESO Board.</li> <li>ORA changes (CT 206, 208 and 210) went live on May 1, 2023 in alignment with the Replacement of the Settlement System (RSS) go-live.</li> </ul>	<ul> <li>Stakeholders will be informed when the next implementation date is confirmed.</li> <li>This engagement has now concluded.</li> <li>A final engagement summary report will be posted to the engagement webpage in Q1 2024.</li> </ul>
Market Renewal Program (MRP)ImplementationThe Implementation phase of theMarket Renewal Program will beginby codifying the design into theMarket Rules and Market Manuals,and then proceed onto creatingtools, testing, training and readinessfor bringing the renewed market tolife.Engagement Lead: Cynthia SidalakRelated Engagements:• Resource Adequacy• Enabling Resources• DER Market Vision & Design Project• Hybrid Integration	<ul> <li>A kick-off meeting was held on January 22, 2024 to provide an overview of Connectivity Testing including its objective, how Market Participants can prepare for Connectivity Testing and a high-level description of the test cases that will be executed during this test phase.</li> <li>Connectivity Testing started on January 29, 2024 and will end on May 24, 2024. All Sandbox applications are available for Market Participants to conduct Connectivity Testing.</li> </ul>	<ul> <li>The IESO has made amendments to Chapter 9 of the Market Rules, Chapter 9 Appendices, Market Manual 5.5, and the List of Charge Types and Equations document to incorporate changes related to intertie failure charge, operating reserve accessibility and capacity auction.</li> <li>Stakeholders are able to submit questions and feedback by February 26, 2024.</li> </ul>

Active Engagement	Current Status	Next Steps
Transmission Rights Market Enhancement and Platform Refresh The IESO is proposing enhancements to the Transmission Rights (TR) market. The IESO completed a Transmission Rights Market Review in June 2021 that identified certain enhancements, or high-value opportunities, that will improve the efficiency, value and function of the TR market today and in the future. Engagement Lead: Trisha Hickson	• Following the November engagement webinar, the IESO brought this item to the Technical Panel for education in December and in January voted to post the Market Rule amendments for broader stakeholder engagement.	• The Technical Panel will vote on whether to market rule amendments for broader engagement at the January 2024 meeting, and will vote on a recommendation for IESO Board approval at the February meeting.
<b>IESO Market Rule Amendments,</b> <b>Chapter 3, Confidentiality,</b> <b>Dispute Resolution and</b> <b>Enforcement</b> The Market Assessment and Compliance Division (MACD) of the IESO is proposing amendments to Chapter 3 of the Market Rules. The purpose of these proposed changes is to modernize and clarify rules related to some of MACD's enforcement processes, including confidentiality and how it handles disputes under the IESO Dispute Resolution Process. <i>Engagement Lead:</i> <b>Trisha Hickson</b>	<ul> <li>A webinar was held in February 2024 to discuss the proposed market rule amendments and feedback received from the November session.</li> </ul>	<ul> <li>Feedback on the items discussed during the webinar is due by February 20, 2024.</li> <li>Next steps for this engagement include education for the Technical Panel in March 2024.</li> </ul>

## Sector Evolution

Engagements that look to the future to see how innovation, new technologies and new collaborations can improve how we conduct our business.

Active Engagement	Current Status	Next Steps
Expanding Third Party Access to the Smart Metering Data The Smart Metering Entity (SME) has been directed by the Ontario Energy Board to undertake an assessment to expand third-party access to smart meter data. The assessment will evaluate the opportunity to include additional organizations beyond the Canadian Government entities and may address other opportunities for data access expansion. Engagement Lead: Fatema Khatun	<ul> <li>Targeted sessions were held on November 27, 28 and 30, 2023 with stakeholders to continue conversations to gain insight and gather feedback on expanding third party access.</li> <li>Feedback received during the targeted engagement sessions is being analyzed.</li> </ul>	<ul> <li>The final report will be submitted to the Ontario Energy Board by April 30, 2024.</li> </ul>
Future Clean Electricity FundProceeds from the sale of IESO-ownedClean Energy Credits on the Ontario'sClean Energy Credit Registry will bedirected to Ontario's Future CleanElectricity Fund. The IESO has beentasked by the Ministry with developinginsights and recommendations for aFuture Clean Electricity Fund (FCEF).Engagement Leads: Fatema KhatunCommunity Engagement Leads: SoniaFazari and Andreea NicoaraRelated Engagements:• Clean Energy Credits	<ul> <li>At the First Nations Energy Symposium in November 2023, the IESO shared information about the FCEF with communities that expressed an interest in learning more.</li> <li>Outreach meetings were held in October and November with municipalities to understand insights and recommendations to develop the Fund.</li> </ul>	<ul> <li>The IESO recommendations report was submitted to the Ministry of Energy in December 2023.</li> <li>IESO will follow up pending Ministry of Energy's review and decisions.</li> </ul>

Active Engagement	Current Status	Next Steps
Hydrogen Interruptible Rate PilotThe Minister of Energy asked the IESO tosubmit a report by September 15, 2023,outlining a plan for the HydrogenInterruptible Rate Pilot tailoredspecifically for hydrogen producers anddevelopers in Ontario.Engagement Lead: Fatema KhatunRelated Engagements:• Interruptible Rate Pilot	The IESO held meetings in July and August with hydrogen developer organizations that expressed interest in the pilot and solicited feedback on pilot design features that would support participation and leverage the flexibility of electrolyzer-based hydrogen production facilities.	<ul> <li>The IESO provided an update that the submission of the plan for the hydrogen interruptible rate pilot to the Ministry of Energy has been postponed until there is further clarity on the federal government's Investment Tax Credit (ITC) related to clean hydrogen production.</li> <li>An updated timeline will be provided once further details on the ITC are available.</li> </ul>
IESO York Region Non-WiresAlternatives Demonstration ProjectThe IESO, with support from NaturalResources Canada, is undertaking ademonstration in York Region to exploremarket-based approaches to secureenergy and capacity services fromDistributed Energy Resources (DERs) forlocal needs.Engagement Lead: Jason GrbavacRelated Engagements:DER Market Vision & Design ProjectDER Potential StudyDER Roadmap	<ul> <li>An engagement session is being planned for the March 2024 Engagement Days.</li> </ul>	<ul> <li>An Evaluation Report including lessons learned will be published in Q1 2024.</li> </ul>

Innovation and Sector Evolution
 White Papers

Active Engagement	Current Status	Next Steps
Innovation and Sector EvolutionWhite PapersThe IESO intends to develop and releasea series of white papers to support thecreation of a shared, fact-basedunderstanding of emerging opportunitiesand trends.Engagement Lead: Jason GrbavacRelated Engagements:DER Potential StudyDER RoadmapIESO York Region Non-Wires Alternatives Demonstration Project	This engagement remains on hold.	The IESO is reviewing nex steps on this engagement.
Low-Carbon Hydrogen Strategy The Ministry of Energy has asked the IESO to investigate and propose program options to integrate low-carbon hydrogen technologies into Ontario's electricity grid. Engagement Lead: Jason Grbavac Related Engagements: • Pathways to Decarbonization	• The first group of successful applicants was <u>announced</u> in October 2023, and the second <u>announced</u> in November 2023.	<ul> <li>This engagement has now concluded.</li> <li>A final engagement summary report will be posted to the engagement webpage in Q1 2024.</li> </ul>

### Updates on the Strategic Advisory Committee, Technical Panel and Transmission-Distribution Coordination Working Group

Group	Current Status	Next Steps
Strategic Advisory Committee (SAC) The Committee is a forum for its members to be informed of IESO activities and to provide timely policy advice and feedback both broadly on behalf of the electricity sector and their constituency, directly to the IESO Board and Executive with respect to the IESO's mandate. Engagement Lead: Jason Grbavac	<ul> <li>SAC is finalizing plans for 2024 which will include the focus on dedicated priority areas for the sector.</li> </ul>	<ul> <li>The complete 2024 public meeting schedule will be announced in in February; however, the first public SAC meeting of 2024 will take place on March 20</li> <li>More details and how to register will be available in the IESO Bulletin.</li> </ul>
<b>Technical Panel (TP)</b> The Technical Panel's mandate is to review amendments to the Market Rules for Ontario's electricity market, and provide recommendations to the IESO Board of Directors. <i>Engagement Lead:</i> <b>Trisha Hickson</b>	<ul> <li>The Technical Panel met on February 6, 2024 and recommended for Board approval the market rules associated with the Transmission Rights Market Enhancements and Platform Refresh, and presented updates on the following MRP items: Market and System Operations Batch, Market Power Mitigation and Settlements and the Final Alignment Batch</li> </ul>	<ul> <li>The next Technical Panel meeting is scheduled for March 5, 2024.</li> </ul>

Group	Current Status	Next Steps
Transmission – DistributionCoordination Working GroupThe Transmission-DistributionCoordination Working Group(TDWG) works closely with LDCsand other stakeholders to inform theDER Market Vision and DesignProject. This is a key focus area ofIESO's Distributed Energy Resources(DER) integration activities and iswhat much of the near-term DERRoadmap efforts build towards. TheTDWG will provide a forum for in-depth engagement on Transmission- Distribution coordination.Engagement Lead: Fatema KhatunRelated Engagements:• DER Market Vision & Design Project• DER Roadmap• IESO York Region Non-Wires Alternatives Demonstration Project• Innovation and Sector Evolution White Paper Series	<ul> <li>Responses to feedback will also be posted.</li> </ul>	The next TDWG meeting is scheduled for February 16, 2024.