IESO Engagement Update July 18, 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 up-to-date information, visit the individual engagement links or the Engagement Initiatives web page.



Next Steps

Forecasting and Planning

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

Active Engagements

Bulk Planning - Central West

This engagement will seek input from stakeholders and communities on the Central-West Bulk Planning initiative. *Engagement Lead:* **Fatema Khatun**

Current Status

- A public engagement session
 was held 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.
- The IESO received seven feedback submissions. The IESO response to feedback was posted in April 2024.
- The public Report on Central-West Bulk Plan report was published on April 18, 2024.

A closing summary for this engagement will be posted in August.



<u>Bulk Planning – Northern Ontario</u> Bulk Study

This engagement will seek input from stakeholders and communities on the Northern Ontario Bulk Study initiative.

Engagement Lead: **Jason Grbavac**Community Engagement Leads:

Nadia Mirabelli and Andreea Nicoara

- Engagement with interested members of the sector commenced on the development of a Northern Ontario Bulk Study.
- A webinar was held on June 19, 2024, to provide an overview and seek input on the scope of the study.
- Feedback submissions will be posted to the engagement webpage with responses to feedback posted shortly thereafter.
- A webinar specifically focused for Indigenous community members also took place on July 10.

Engagement will continue throughout 2024 and 2025.

Bulk Planning – South and Central Ontario Bulk Study

This engagement will seek input from stakeholders and communities on the South and Central Ontario Bulk Study initiative.

Engagement Lead: Jason Grbavac
Community Engagement Leads: Keir
Johnston and Andreea Nicoara

- Engagement with interested members of the sector commenced on the development of a South and Central Ontario Bulk Study.
- A webinar was held on June 19, 2024, to provide an overview and seek input on the scope of the study.
- Feedback submissions will be posted to the engagement webpage with responses to feedback posted shortly thereafter.
- A webinar specifically focused for Indigenous community members took place on July 10.

Engagement will continue throughout 2024 and 2025.

IESO Market and Planning Data Engagement

Engagement to better understand how the IESO can provide greater access to Market and Planning data. Engagement Lead: Fatema Khatun

- This engagement was announced in the IESO Bulletin on November 23, 2023.
- Stakeholders were invited to complete a questionnaire on their preference on data access and the use of data.
- The IESO received eleven responses to the questionnaire in January 2024, which were posted on the engagement page.
- An engagement session on the findings from the questionnaire to better understand the views of IESO Market and Planning Data was held on March 21, 2024.
- Following the March 21
 engagement session, IESO
 received four additional feedback
 submissions, which are now
 posted on the engagement
 webpage.

- The IESO has posted a document containing Market and Planning data links on the engagement webpage, responding to stakeholder feedback for easier access to this information.
- Response to the feedback was posted on the engagement webpage on July 15.

<u>Regional Planning - Burlington</u> to Nanticoke

Regional electricity planning is underway in this region.

Engagement Lead: Jessica Singh Indigenous Relations Lead: Nadia Mirabelli/Keir Johnston

- A webinar was held in June and July 2024 to provide an overview of the region's needs and seek input on the preliminary options.
- Feedback submissions and a response to feedback will be posted to the dedicated community engagement webpage.
- Engagement will continue with respect to developing an IRRP for the region until Q4 2024.

Regional Planning — Ottawa Area Sub-Region

Regional electricity planning is underway in this region.

Engagement Lead: Jessica Singh Indigenous Relations Lead: Nadia Mirabelli

- Engagement has begun on the development of an Integrated Regional Resource Plan (IRRP).
- A webinar was held in May 2024 to provide an overview and seek input on the draft electricity demand forecasts and the engagement plan.
- Twelve feedback submissions were received and have been posted to the engagement webpage.
- A response to feedback will be posted to the dedicated community engagement webpage.
- Engagement will continue with respect to developing an IRRP for the region until Q1 2025.

Regional Planning — Kitchener/Waterloo/Cambridge/ Guelph (KWCG)

Regional electricity planning is underway in this region.

Engagement Lead: Jessica Singh

Indigenous Relations Lead: Keir

Johnston

The final Scoping Assessment
 Outcome Report was posted in
 July 2024, recommending the
 development of an IRRP for the
 Kitchener/Waterloo/Cambridge/G
 uelph (KWCG) Electricity Region.

Engagement on the KWCG IRRP is targeted to begin Q4 2024.

Regional Planning – Toronto

Regional electricity planning is underway in this region.

Engagement Lead: Andreea Nicoara Indigenous Relations Lead: Nadia

Mirabelli/Keir Johnston

- The final Scoping Assessment
 Outcome Report was posted in
 March 2023, recommending the
 development of an IRRP for the
 Toronto region.
- with the first public webinar held on April 16, 2024, to provide an overview of and seek input on draft electricity demand forecast scenarios and planned engagement activities. Twenty feedback submissions were received, and have been posted to the website.
- Engagement on the Toronto area IRRP will continue until 2025.
- A response to feedback received following the webinars will be posted to the dedicated community engagement webpage.

<u>Regional Planning – GTA North</u> (York Region)

Regional electricity planning is underway in this region.

Engagement Lead: Andreea Nicoara Indigenous Relations Lead: Nadia

Mirabelli

- 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 2024.

Regional Planning - Windsor-Essex •

Regional electricity planning is underway this region.

Engagement Lead: Andreea Nicoara
Indigenous Relations Lead: Keir Johnst

- Engagement has begun on the development of an Integrated Regional Resource Plan (IRRP).
- A webinar was held in December 2023 to provide an overview and seek input on the draft electricity demand forecasts and the engagement plan.
- Six feedback submissions were received and have been posted to the engagement webpage.
 Responses to feedback have been posted.
- e Engagement will continue with respect to developing an IRRP for the region until Q4 2024.

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

Capacity Auction Enhancements

The annual Capacity Auction is one of the procurement mechanisms included in the IESO's Resource Adequacy Framework and serves as the short-term balancing mechanism in the framework, securing the capacity required to meet Ontario's short-term resource adequacy needs.

Engagement Lead: **Trisha Hickson** Related Engagements:

- Resource Adequacy
- Demand Side Vision

Current Status

 An engagement webinar was held on June 25 to discuss prioritization of future enhancements, and administration Market Manual Updates, and feedback received following the May 23 engagement.

Next Steps

 The next engagement is scheduled for July 25 to continue to prioritize future enhancements.

Current Status

Next Steps

Demand-Side Vision

The 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**

 The Demand-side vision work is in progress with sessions underway with targeted stakeholders. Public engagement sessions will be held as required to continue discussions on improvements to Demand Response participation and feedback from technical sessions will be shared.

Related Engagements:

- Enabling Resources
- <u>Capacity Auction Enhancements</u>

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. Engagement Lead: Fatema Khatun Community Engagement Leads: Nadia Mirabelli and Andreea Nicoara

- Fourth public focused engagement session was held on June 19, 2024. This session was open to all interested Stakeholders, First Nations, and Communities.
- Three feedback submissions following the June 19 webinar were received and have been posted to the engagement web page.
- The work completed under the DER Market Vision and Design Project will be transitioned to the Enabling Resources Program engagement.

- Community engagement with Indigenous groups and municipalities will continue through Q3.
- Next and final public focused stakeholder engagement session is scheduled for July 25.
- A Progress Report is due to the Ministry of Energy in September 2024.
- See the Enabling
 Resources Program
 engagement for further
 information.

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

Current Status

Next Steps

<u>Distributed Energy Resources (DER)</u> 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.

Engagement Lead: **Jason Grbavac** Related Engagements:

- <u>Joint Study of DER Incentives</u>
- DER Market Vision & Design Project
- DER Potential Study
- Enabling Resources Program
- Hybrid Integration Project
- <u>IESO York Region Non-Wires</u>
 <u>Alternatives Demonstration Project</u>
- Resource Adequacy

- A joint meeting with the
 Ontario Energy Board was held
 on November 27,2023 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.
- The meeting also included a panel on the 2021 Grid Innovation Fund and Innovation Sandbox Projects.

initiative will commence in Q3 2024.

Engagement on this

Enabling Resources Program

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.

Engagement Lead: Maia Chase

Related Engagements:

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

 Engagement on this initiative will commence in Q3 2024.

Current Status

Next Steps

Hybrid Integration Project

The IESO is seeking feedback on the development of participation model(s) to enable hybrid resources in the IESO-administered markets and have the capability to support Ontario's future system needs. The changes will be implemented after the implementation of the Market Renewal Project.

Engagement Lead: Jason Grbavac

Related Engagements:

- DER Market Vision & Design Project
- DER Potential Study
- DER Roadmap
- Enabling Resources Program
- Innovation and Sector Evolution
 White Paper Series

 The work completed under the Hybrid Integration Project will be transitioned to the Enabling Resources Program engagement. See the Enabling
Resources Program
engagement for further
information.

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:

- Resource Adequacy
- Hybrid Integration Project
- Market Renewal Program (MRP)
 Implementation

Stakeholder Engagement Update:

- An engagement webinar was held on June 25 and July 4 to provide an update on the key activities, including MT2 RFP, E-PPA design, Capacity Stream, LT2 RFP proposal evaluation and timelines.
- Feedback received following the June 25 engagement can be found on the webpage.
 Feedback following the July 4 engagement is due on July 19.

Community Engagement Update:

 Webinar held for municipalities on March 26 that featured four Ministries (Municipal Affairs and Housing, Forestry and Natural Resources, Environment, Conservation and Parks, and Agriculture, Food and Rural Affairs)

- The next LT2 RFP stakeholder engagement webinar will be held on July 24 to discuss items including updates around community engagement and Indigenous relations.
- The next Community engagement will be held on July 30 to to continue discussions and solicit input into the LT2 RFP.

Resource Adequacy

The IESO is engaging stakeholders to further develop a long-term competitive strategy to meet Ontario's resource adequacy needs reliably and cost-effectively while recognizing the unique needs of different resources.

Engagement Lead: Jason Grbavac Related Engagements:

- DER Market Vision & Design Project
- DER Potential Study
- DER Roadmap
- Enabling Resources Program
- Long-Term RFP

- A Resource Adequacy Update
 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.
- Adequacy initiatives such as the Procurements and Capacity Auction Enhancements have branched off into their own respective engagement streams (see related engagements).

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

<u>Market Renewal Program (MRP)</u> <u>Implementation</u>

The Implementation phase of the Market Renewal Program will begin by codifying the design into the Market Rules and Market Manuals, and then proceed onto creating tools, testing, training, and readiness for bringing the renewed market to life.

Engagement Lead: Cynthia Sidalak Related Engagements:

- Resource Adequacy
- Enabling Resources
- DER Market Vision & Design Project
- Hybrid Integration

Current Status

- Phase 1 of Market Trials will be starting on July 16, 2024.

 Market Participants will be able to test in the Sandbox applications for Energy Management Interface (EMI), Market Information Management (EMI), and a new settlement form called Fuel Cost Compensation Settlement Form in Online IESO. Market Participants will have until August 13, 2024, to conduct Phase 1 of Market Trials.
- Stakeholders have until August 6, 2024, to provide feedback on the Final Alignment batch of Market Rule and Market Manuals.

Next Steps

 Kick-off meeting for Phase 2 of Market Trials is scheduled on August 7, 2024.

IESO Market Rule Amendments, Chapter 3, Confidentiality, Dispute Resolution and Enforcement

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.

Engagement Lead: Trisha Hickson

- A webinar was held in February 2024 to discuss the proposed market rule amendments and feedback received from the November session.
- Feedback following the February 6 engagement webinar is available on the engagement webpage.
- MACD is continuing to undertake stakeholder engagement and outreach to seek further feedback.

<u>Updates to IESO Monitoring</u> Requirements Phasor Data

The IESO proposes to update Market Rule Appendices 4.15 and 4.16 to clarify requirements for generators and transmitters to install phasor technology infrastructure and provide phasor data to the IESO. The proposed changes are intended to align with requirements in other North American ISOs and RTOs. The IESO is seeking feedback from stakeholders on these proposed updates in Market Rule Appendices 4.15 and 4.16.

Engagement Lead: Maia Chase

Current Status

 An engagement session was held on May 22, to remind participants of the Market Rules that will be effective at the end of 2024 that relate to this data, they are also being provided an update on the IESO's program. It was also communicated to participants on the evolving preferences (requirements) related to the reporting rate of data sent to the IESO.

Next Steps

 An engagement session will be held in August to update MPs on the status of the IESO's program and to communicate additional updates to the Market Manual.

<u>Interchange Schedule Code,</u> MrNH

The IESO is hosting a session to inform stakeholders of an upcoming change to the interchange schedule code, MrNH (MISO Ramp/New York Hour-Ahead Market) which relates to managing intertie transactions between Ontario and the corresponding jurisdictions.

Engagement Lead: Maia Chase

- A session was held on May 22 that provided stakeholders with an understanding of the interchange schedule code MrNH, identified issues, modification to the code, and the implementation timeline.
- Feedback from the session has been posted on the engagement webpage.
- The changes will be implemented as part of a future baseline (yet to be determined).

Sector Evolution

Engagements that look to the future to see how innovation, innovative 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

- 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.
- Feedback received during the targeted engagement sessions is being analyzed.
- Smart Metering Annual Cost and a Variance Account Report for 2023 was submitted to the Ontario Energy Board in April 2024.

 The final report will be submitted to the Ontario Energy Board at the end of 2024.

Future Clean Electricity Fund

Proceeds from the sale of IESO-owned Clean Energy Credits on the Ontario's Clean Energy Credit Registry will be directed to Ontario's Future Clean Electricity Fund. The IESO has been tasked by the Ministry with developing insights and recommendations for a Future Clean Electricity Fund (FCEF). Engagement Leads: Fatema Khatun Community Engagement Leads: Sonia

Fazari and Andreea Nicoara

Related Engagements:

Clean Energy Credits

- 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.
- Outreach meetings were held in October and November with municipalities to understand insights and recommendations to develop the Fund.
- The IESO recommendations report was submitted to the Ministry of Energy in December 2023.
- Next steps pending Ministry of Energy's review and decisions.

Current Status

Next Steps

Hydrogen Interruptible Rate Pilot

The Minister of Energy asked the IESO to submit a report by September 15, 2023, outlining a plan for the Hydrogen Interruptible Rate Pilot tailored specifically for hydrogen producers and developers in Ontario.

Engagement Lead: Fatema Khatun Related 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.
- 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.
- An updated timeline will be provided once further details on the ITC are available.

<u>IESO York Region Non-Wires</u> <u>Alternatives Demonstration Project</u>

The IESO, with support from Natural Resources Canada, is undertaking a demonstration in York Region to explore market-based approaches to secure energy and capacity services from Distributed Energy Resources (DERs) for local needs.

Engagement Lead: Maia Chase Related Engagements:

- DER Market Vision & Design Project
- DER Potential Study
- DER Roadmap
- <u>Innovation and Sector Evolution</u>
 <u>White Papers</u>

- The IESO will review the feedback received to incorporate into future initiatives.
- An engagement session will be held on July 23, 2024, to present the final evaluation of the Project, including the recommendations for future programs.

Current Status

Next Steps

<u>Innovation and Sector Evolution</u> <u>White Papers</u>

The IESO intends to develop and release a series of white papers to support the creation of a shared, fact-based understanding of emerging opportunities and trends.

Engagement Lead: Jason Grbavac

Related Engagements:

- DER Potential Study
- DER Roadmap
- <u>IESO York Region Non-Wires</u>
 <u>Alternatives Demonstration Project</u>

- This engagement remains on hold.
- The IESO is reviewing the next 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 announced in October 2023, and the second announced in November 2023.
- This engagement has now concluded.
- A final engagement summary report will be posted to the engagement webpage in Q3 2024.

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

Group Current Status Next Steps

<u>Strategic Advisory Committee</u> (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

- The next SAC meeting is scheduled to take place in October.
- Key agenda items
 include a presentation on
 Market Renewal
 Implementation, as well
 as an update on the
 IESO renewed External
 Relations Engagement
 Framework
- SAC members will also provide an update on their work on the SAC Challenge Statement Chapters.

 Materials will be made available closer to the meeting date.

Technical Panel (TP)

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.

Engagement Lead: Trisha Hickson

- During the July 16 Technical Panel meeting, members voted to recommend for IESO Board approval the Market Rule amendments associated with the Capacity Auction; voted to post for broader stakeholder engagement the MRP Final Alignment Batch; and an overview of the Market Power Mitigation (MPM) batch was provided as an education item.
- The next Technical Panel meeting is scheduled for September 10, 2024.
- The IESO will host an MRP working session for the Technical Panel to continue discussions on the MPM batch on July 23, 2024.

<u>Transmission – Distribution</u> <u>Coordination Working Group</u>

The Transmission-Distribution
Coordination Working Group
(TDWG) works closely with LDCs
and other stakeholders to inform the
DER Market Vision and Design
Project. This is a key focus area of
IESO's Distributed Energy Resources
(DER) integration activities and is
what much of the near-term DER
Roadmap efforts build towards. The
TDWG will provide a forum for indepth engagement on Transmission
- Distribution coordination.

Engagement Lead: Fatema Khatun Related Engagements:

- DER Market Vision & Design Project
- DER Roadmap
- IESO York Region Non-Wires Alternatives Demonstration Project
- <u>Innovation and Sector Evolution</u>
 <u>White Paper Series</u>

- Feedback from May 31 session is due by June 21, 2024. No feedback received.
- The next TDWG meeting is scheduled for July 26,2024