IESO Engagement Update June 13, 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.



Forecasting and Planning

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

Active Engagements		Current Status	1	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	•	A report outlining the results of Stage 1 of the planning study will be published in Q1 2024. 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. Closing summary for this engagement will be posted next month.



Active Engagements	Current Status	Next Steps
Regional Planning – Burlington 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 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. Three feedback submissions were received and have been posted to the engagement webpage, along with an IESO response to the feedback. 	 The second public engagement webinar will take place on June 25. This webinar will share an overview of the region's needs and provide and seek input on the preliminary options.
Regional Planning – Ottawa Area Sub-Region Regional electricity planning is underway in this region. <i>Engagement Lead:</i> Jessica Singh Indigenous Relations Lead: Nadia Mirabelli	 The final Scoping Assessment Outcome Report was posted in March 2023, recommending the development of an IRRP for the Ottawa Area sub-region. The report also concluded that no further coordinated regional planning is required for the Outer Ottawa East and West Sub-regions. IRRP engagement launched with the first public webinar held for the Ottawa Area sub-region IRRP on May 24, 2024. Feedback will be collected until June 14, 2024. 	 Feedback submissions and a response to feedback will be posted in August 2024 to the dedicated community engagement webpage. After the Demand Forecast is finalized, studies will continue to understand the transmission infrastructure's electricity needs and potential options.
Regional Planning – Kitchener/Waterloo/Cambridge/ Guelph Regional electricity planning is underway in this region.	 A draft Scoping Assessment Outcome Report will be posted for public feedback shortly. A scoping engagement webinar will be hosted on June 17, 2024. 	 Feedback for the draft Scoping Assessment Outcome Report will be received until July 2, 2024. The Scoping Assessment
<i>Engagement Lead</i> : Jessica Singh <i>Indigenous Relations Lead:</i> Keir Johnston		Outcome Report will be finalized and posted in July 2024.

Active Engagements	Current Status		Next Steps
Regional Planning – TorontoRegional electricity planning is underway in this region.Engagement Lead: Andreea Nicoara Indigenous Relations Lead: NadiaMirabelli/Keir Johnston	The final Scoping Assessment Outcome Report was posted in March 2023, recommending the development of an IRRP for the Toronto region. IRRP engagement commenced its first public webinar 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 received and have been posted on the webpage.	•	Engagement on the Toronto area IRRP began in March. A response to feedback received following the webinars will be posted to the dedicated community engagement webpage.
 Regional Planning – GTA North (York Region) Regional electricity planning is underway in this region. Engagement Lead: Andreea Nicoara Indigenous Relations Lead: Nadia Mirabelli 	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 summer 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.	•	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	Current Status	Next Steps
Capacity Auction EnhancementsThe annual Capacity Auction is one ofthe procurement mechanisms included inthe 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	 An engagement webinar was held on May 23 to discuss prioritization of future enhancements and administration Market Manual Updates. The IESO response to Feedback received following the May 23 engagement can be found on the webpage 	The next engagement webinar is scheduled for June 19 to continue to prioritize 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	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.

Active Engagement

Current Status

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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**

- First public focused engagement session was held on February 29, 2024. This session was open to all interested Stakeholders, First Nations, and Communities.
- The January 17 webinar for Indigenous communities and municipalities introduced the TSF.
- Fifteen feedback submissions following the January 17 webinar were received and have been posted to the <u>community engagement</u> <u>webpage</u>. Fourteen of the fifteen submissions included specific feedback for TSF.
- The second focused public engagement session was held on March 27, 2024. Feedback is due by April 19.
- The third focused engagement session was held on April 24, 2024.
- A municipally focused webinar was held on May 14 to understand early feedback from municipalities. Feedback received will be posted to the website shortly.
- Eight feedback submissions following the April 24 webinar were received and have been posted to the engagement webpage.

Next Steps

- Community engagement with Indigenous groups and municipalities will continue through Q1 and Q2.
- Next stakeholder engagement session is scheduled for June 19.
- A Progress Report is due to the Ministry of Energy by Summer 2024.

	Current Status	Next Steps
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.	See the Enabling Resources Program engagement for further information.
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. Engagement Lead: Jason Grbavac Related Engagements: 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	 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. 	Engagement on this initiative will commence in Q2 2024.

Active Engagement	Current Status	Next Steps
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. <i>Engagement Lead:</i> Maia Chase <i>Related Engagements:</i> • Capacity Auction • DER Roadmap • Hybrid Integration Project • Innovation and Sector Evolution White Paper Series • Resource Adequacy		Engagement on this initiative will commence in Q2 2024.
Hybrid Integration ProjectThe 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 ProjectDER Potential StudyDER Roadmap	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.

- Enabling Resources Program
 Innovation and Sector Evolution White Paper Series

Active Engagement

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**

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Related Engagements:

- <u>Resource Adequacy</u>
 Hybrid Integration Project
- <u>Market Renewal Program (MRP)</u>
 <u>Implementation</u>

Current Status

Stakeholder Engagement Update:

- An engagement webinar was held on May 23 to provide an update on the key activities and Discuss key design details.
- Feedback received following the May 23 engagement can be found on the webpage.
- Community Engagement Update:
- 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.
- Fifteen feedback submissions were received following the webinars were received and have been posted to the <u>community engagement</u> <u>webpage</u>.
- 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).

Next Steps

- The next LT2 RFP Stakeholder engagement webinar will be held on June 13 to discuss details around the RFP design.
- Engagement will also continue in late Q2 to gather feedback on community engagement and municipal support requirements for the LT2 RFP.

Active Engagement Cu		•
 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 <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.	 Several Resource 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	Current Status	Next Steps
Market Renewal Program (MRP) Implementation 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	 The IESO hosted an engagement webinar on April 25 where the IESO provided stakeholders an update on the transition to the new market, suspended administration of Physical Bilateral Contracts (PBCs), and a brief overview of the transitional rules that will be part of the Final Alignment batch of Market Rule amendments. Connectivity Testing is continuing and will end on May 24, 2024. All Sandbox applications are available for Market Participants to conduct Connectivity Testing. 	 The IESO will be posting the transitional rules that will be part of the Final Alignment batch of Market Rule amendments on June 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 t seek further feedback.

Active Engagement **Current Status Next Steps** Updates to IESO Monitoring The Market Rules will be An engagement session was • • **Requirements Phasor Data** held on May 22, to remind implemented at the end of The IESO proposes to update Market participants of the Market Rules 2024 with an additional Rule Appendices 4.15 and 4.16 to engagement planned for that will be effective at the end clarify requirements for generators of 2024 that relate to this data, later in 2024 to discuss and transmitters to install phasor they are also being provided an further requirements. technology infrastructure and update on the IESO's program. provide phasor data to the IESO. IESO communicated to The proposed changes are intended participants on the evolving to align with requirements in other preferences (requirements) North American ISOs and RTOs. The related to the reporting rate of IESO is seeking feedback from data sent to the IESO. stakeholders on these proposed updates in Market Rule Appendices 4.15 and 4.16. Engagement Lead: Maia Chase An engagement session was The changes will be ٠ Interchange Schedule Code, held on May 22 that provided implemented as part of a MrNH (MISO/Ramp/New York stakeholders with an future baseline (yet to be Hour-Ahead Market) understanding of the determined), which will be The IESO is hosting a session to interchange schedule code communicated to inform stakeholders of an upcoming MrNH, identified issues, stakeholders. change to the interchange schedule

modification to the code, and

the implementation timeline.

Feedback from the session will

be posted on the engagement

webpage at the end of June.

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

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 for the final report back to the Ontario Energy Board. Smart Metering Annual Cost and Variance Account Report for 2023 was submitted to Ontario Energy Board in April 2024. 	The final report will be submitted to Ontario Energy Board at the end of 2024.
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	 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.

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. 	 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. An updated timeline will be provided once further details on the ITC are available.
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: Maia ChaseRelated Engagements:DER Market Vision & Design ProjectDER Potential StudyDER RoadmapInnovation and Sector Evolution White Papers	 An engagement session will be held on June 20, 2024, to present the final evaluation of the Project, including recommendations for future programs. 	The IESO will seek feedback on the recommendations for future programs.

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-WiresAlternatives Demonstration Project	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 <u>announced</u> in October 2023, and the second <u>announced</u> in November 2023.	 This engagement has now concluded. A final engagement summary report will be posted to the engagement webpage in Q2 2024.

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	 The next SAC meeting is scheduled for June 26. Key agenda items included a presentation from Building Ontario Fund as well as a presentation on Demand Side Management. SAC members will also provide an update on their work on the SAC Challenge Statements. 	• The next public SAC meetings will take place on June 26 and October 2 with registration and materials available closer to each 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. <i>Engagement Lead:</i> Trisha Hickson	• The May 14 Technical Panel meeting included a vote to provisionally recommend the MRP MSO Batch and an education item on Market Rule amendments associated with the Capacity Auction.	The next Technical Panel meeting is scheduled for June 11, 2024.

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	• Feedback from May 31 session is due by June 21, 2024.	The next TDWG meeting is scheduled for June 28, 2024.