IESO Engagement Update – December 6, 2021

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 **Active Engagements** webpage.



2022 Engagement Days Meeting Schedule Now Available

The IESO will continue to offer dedicated, monthly engagement days to provide greater certainty on the timing of engagement meetings and to allow for enhanced preparedness and participation from stakeholders. The 2022 Engagement Days meeting schedule has been posted to the Stakeholder Engagement Framework webpage.

New Engagements and Forward-Looking Schedule

Chatham-Kent/Lambton/Sarnia Regional Electricity Planning

The IESO will engage with communities and stakeholders on the Scoping Assessment Outcome Report as part of a new cycle of regional electricity planning for the Chatham-Kent/Lambton/Sarnia region.

• Launched: November 18, 2021



Forecasting and Planning

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

Active Engagement	Current Status	Next Steps
Formalizing the Integrated BulkSystem Planning ProcessThe IESO is seeking feedback on thedesign of a formal, integrated bulksystem planning process.Engagement Lead: Colin CampbellRelated Active Engagements:• Development of an IESOCompetitive TransmissionProcurement Process• Resource Adequacy• Transmission Losses	 On October 19, the IESO held a webinar to present the final highlevel design and process detail A progress update was also provided on the regional planning process review engagement, which was completed in May 2021 Feedback was due by November 9 and is posted; the IESO will respond to feedback shortly 	• The formalized Bulk System Planning Process is planned for implementation beginning at the start of 2022
Gas Phase-Out Impact Assessment The future of gas generation in Ontario has become a focus of discussion for a number of municipalities, raising questions and concerns from stakeholders about the challenges and opportunities these discussions have raised. This engagement will allow stakeholders to provide feedback on the scope of an assessment that outlines the implications of phasing out natural gas generation. Engagement Lead: Jordan Penic Related Active Engagements: N/A	 The IESO's assessment report, <i>Decarbonization and Ontario's</i> <i>Electricity System</i>, was posted to the IESO website on October 7 A response to feedback document was posted on October 14 On October 21, the IESO hosted a webinar to provide a briefing of the report and answer stakeholder questions pertaining to the assessment At its November 3 meeting, the Stakeholder Advisory Committee (SAC) discussed the next steps and work ahead for the IESO with respect to the Minister's letter issued on October 7 	Upcoming engagement on the work ahead is being planned framed by the Minister's October 7 and November 11 letters

Active Engagement	Current Status	Next Steps
Regional Planning – Barrie/InnisfilRegional electricity planning isunderway in this sub-region.Engagement Lead: Amanda FludeRelated Active Engagements:• DER Roadmap• Formalizing the Integrated Bulk System Planning Process• Regional Planning – South Georgian Bay/Muskoka	 An engagement webinar was held on September 9 to seek input to inform the demand forecast for this sub-region and to invite feedback on the draft engagement plan A response to feedback document and final engagement plan was posted following a three-week comment period 	 A webinar is being held on December 9 to seek input on options screening and the range of potential solutions to be examined to help inform IRRP development Feedback is due by December 30
Regional Planning – Chatham- Kent/Lambton/Sarnia *newRegional electricity planning is underway in this region.Engagement Lead: Rouselle GratelaRelated Active Engagements:• DER Roadmap• Formalizing the Integrated Bulk System Planning Process• Gas Phase-Out Impact Assessment	 A Scoping Assessment Outcome Report is being developed for this area to determine a recommended planning approach to address identified electricity needs 	 A webinar is being held on December 7 to seek input on the draft Scoping Assessment Outcome Report Feedback is due by December 21
Regional Planning – NiagaraRegional electricity planning isunderway in this region.Engagement Lead: Rouselle GratelaRelated Active Engagements:• Formalizing the Integrated Bulk System Planning Process	 The first meeting for this new engagement was held on Aug 3 No feedback was received during the two-week comment period The final Scoping Assessment Outcome Report was posted on August 24 	• The IESO will launch engagement plans in Q1 2022 to inform the development of an Integrated Regional Resource Plan (IRRP) for this region
Regional Planning – North & Eastof SudburyRegional electricity planning isunderway in this region.Engagement Lead: Rouselle GratelaRelated Active Engagements:• Formalizing the Integrated Bulk System Planning Process	 The first meeting for this new engagement was held on July 19 Four feedback submissions were received and are posted along with the response to feedback document The final Scoping Assessment Outcome Report was posted on August 12 which defines the scope of this planning initiative 	• The IESO will launch engagement plans in Q1 2022 to inform the development of an Integrated Regional Resource Plan (IRRP) for this region

Active Engagement	Current Status	Next Steps
Regional Planning – NorthwestRegional electricity planning isunderway in this region.Engagement Lead: Susan HarrisonRelated Active Engagements:• Formalizing the Integrated Bulk System Planning Process• Resource Adequacy	 Three targeted discussions concluded with communities and stakeholders in November to discuss electricity needs for the region and any emerging local initiatives that should be considered in the planning work 	• The next public webinar will be held in Q1 2022 to provide a summary of the targeted discussion and to seek input on potential options to meet electricity needs for the region
Regional Planning – Ottawa AreaSub-RegionRegional electricity planning isunderway in this region.Engagement Lead: Amanda FludeRelated Active Engagements:• Formalizing the Integrated Bulk System Planning Process• Gas Phase-Out Impact Assessment• Regional Planning – Peterborough to Kingston	 An Integrated Regional Resource Plan (IRRP) was completed in February 2020 for this sub-region The plan recommended additional studies to address the identified needs that extend beyond the 20- year IRRP outlook 	 Communications and outreach are targeted for Q1 2022 Study completion is expected in late Q1 2022
Regional Planning – ParrySound/MuskokaRegional electricity planning isunderway in this sub-region.Engagement Lead: Amanda FludeRelated Active Engagements:• DER Roadmap• Formalizing the Integrated Bulk System Planning Process• Regional Planning – South Georgian Bay/Muskoka	 An engagement webinar was held on September 8 to seek input to inform the demand forecast for this sub-region and to invite feedback on the draft engagement plan A response to feedback document and final engagement plan was posted following a three-week comment period 	 A webinar will be held on December 8 to seek input on options screening and the range of potential solutions to be examined to help inform IRRP development Feedback is due by December 29

Active Engagement	Current Status	Next Steps
Regional Planning – RenfrewRegional electricity planning is underway in this region.Engagement Lead: Amanda Flude Related Active Engagements:• Formalizing the Integrated Bulk System Planning Process	 The first meeting for this new engagement was held on July 21 Following the comment period, the final Scoping Assessment Outcome Report was posted on August 13 	 A webinar to commence discussions on the development of an Integrated Regional Resource Plan (IRRP) is anticipated in early January to seek feedback on the demand forecast and preliminary needs identified for the region, as well as the proposed engagement plan
Regional Planning – Windsor-EssexRegional electricity planning is underway in this region.Engagement Lead: Rouselle GratelaRelated Active Engagements:• DER Roadmap• Formalizing the Integrated Bulk System Planning Process• Gas Phase-Out Impact Assessment	 An IRRP Addendum study is underway in this area Eight submissions were received following the July webinar and are posted along with a response to feedback document 	The Integrated Regional Resource Plan (IRRP) Addendum will be released in winter 2022
Transmission LossesThis engagement will review IESOand Hydro One's practices on howtransmission losses are considered inplanning and operation of the system,a comparison of these practices tothose used in other jurisdictions, andseek stakeholder feedback onpotential improvements to thesepractices.Engagement Lead: Jason GrbavacRelated Active Engagements:• Formalizing the Integrated BulkSystem Planning Process	 The IESO posted a draft transmission losses guideline document on July 22 for stakeholder review and feedback One feedback submission was received and has been posted 	• A response to stakeholder feedback will be provided in Q4 and a webinar will be held, as required

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
Development of an IESOCompetitive TransmissionProcurement ProcessThe IESO is seeking feedback to aid in the development of a competitive transmission procurement process.Engagement Lead: TBD Related Active Engagements:• Formalizing the Integrated Bulk System Planning Process	This engagement was put on hold and IESO is currently determining the next steps associated with this initiative	
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: Colin Campbell Related Active Engagements: DER Potential Study DER Roadmap Enabling Resources Program Hybrid Integration Project Innovation and Sector Evolution White Paper Series Resource Adequacy	 An engagement webinar was held on October 20 to introduce the DER Market Vision and Design Project Feedback was due by November 10 and is posted; the IESO will respond to feedback shortly 	 The next engagement meeting is planned for January, 2022

Active Engagement Current Status Next Steps Distributed Energy Resources (DER) An engagement webinar was The IESO will respond to • **Potential Study** held on November 23 to feedback received To help inform our path forward in present the draft Detailed The study results are enabling DERs, the IESO has Project Plan and describe the expected to be presented commissioned a DER Potential Study. key components of the study, in June, 2022 The primary objectives of the study are including inputs, methodology, to determine the types and volumes of scenarios and the underlying DERs that exist and can be expected to assumptions; a summary of emerge in Ontario over a 10-year feedback from the September timeframe, as well as identify the webinar was also presented, potential for these resources to provide along with the IESO's wholesale electricity services. responses Feedback is due by December Engagement Lead: Colin Campbell Related Active Engagements: 14 **DER Market Vision & Design Project** • **DER Roadmap** . Enabling Resources Program Hybrid Integration Project Innovation and Sector Evolution White Paper Series **Resource Adequacy Distributed Energy Resources (DER)** An engagement webinar was The DER Roadmap will be • • Roadmap held on October 20 to posted in December, 2021 The IESO is seeking feedback on the introduce the roadmap The first meeting of the

development of a roadmap to set out approaches and expected timing for enhancing DER participation in the IESOadministered markets for the products/services they are technically capable of providing.

Engagement Lead: Colin Campbell Related Active Engagements:

- 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>
- <u>Resource Adequacy</u>

- An engagement webinar was held on October 20 to introduce the roadmap objectives and longer-term timelines, and introduce next steps on regional planning process updates related to non-wires alternatives
- The OEB/IESO also introduced a draft list of cross-cutting issues where the OEB/IESO are collaborating, including potential areas for enhanced collaboration for stakeholder input
- Feedback was due by November 10 and is posted; the IESO will respond to feedback shortly

- The first meeting of the Transmission-Distribution Working Group is expected to take place in January, 2022
- IESO and OEB will hold another joint engagement meeting in spring, 2022 with an updated list, action items, and progress updates on cross-cutting issues

Active Engagement	Current Status	Next Steps
Enabling Resources Program The IESO is seeking feedback 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 resources to provide electricity system services in the renewed Ontario wholesale market that they cannot, or cannot fully, currently provide. <i>Engagement Lead:</i> Colin Campbell <i>Related Active Engagements:</i> • DER Market Vision & Design Project • DER Potential Study • DER Roadmap • Hybrid Integration Project • Innovation and Sector Evolution White Paper Series • Resource Adequacy	 An update on the next steps of the draft Enabling Resources work plan was presented as part of the September 21 Hybrid Integration Project webinar 	 An engagement meeting is scheduled for December 16 to present and discuss the Enabling Resources Work Plan
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: Colin Campbell Related Active Engagements:DER Market Vision & Design ProjectDER Potential StudyDER RoadmapEnabling Resources ProgramInnovation and Sector Evolution White Paper Series	 A stakeholder webinar was held on September 21 to provide an update on the development of the Enabling Resources work plan and to present the foundational participation models for hybrid resources IESO received five feedback submissions following the webinar, and a response to feedback document is posted on the engagement page 	An engagement meeting is scheduled for December 10 to commence work on the Foundational Model design

Active Engagement

Current Status

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Resource Adequacy

The IESO is engaging stakeholders to further develop a long-term competitive strategy to meet Ontario's resource adequacy needs reliably and costeffectively while recognizing the unique needs of different resources. *Engagement Lead:* **Jason Grbavac**

Related Active Engagements:

- DER Market Vision & Design Project
- DER Potential Study
- DER Roadmap
- Enabling Resources Program
- Formalizing the Integrated Bulk
 System Planning Process
- A webinar was held on November 23 to review the Annual Acquisition Report development and upcoming 2022 AAR, design considerations for the upcoming Capacity Auctions, an overview of the work ahead on the Long-Term RFP and a discussion outlining how IESO procurement fees are set

Next Steps

- Feedback on the November 23 webinar materials is due by December 14
- An engagement meeting is scheduled for December 15 to continue discussions on the design/implementation of the 2022 Capacity Auction enhancements, and to provide an update on the Long-Term RFP

Operations

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

Active Engagement	Current Status	Next Steps
Adjustments to Intertie Flow Limits The IESO is proposing to add clarifying language to the market rules specifying when internal transmission constraints will be considered by the IESO in setting intertie flow limits. <i>Engagement Lead:</i> Jason Grbavac <i>Related Active Engagements:</i> • N/A	The IESO hosted an engagement webinar on November 22 to provide interested stakeholders with an opportunity to comment on the proposed clarification to the market rules	 Feedback on the proposed market rule amendment language is due by December 10 The IESO will provide an engagement update at the December 14 Technical Panel meeting including early insights into feedback received The Technical Panel will review the proposed market rule language, stakeholder feedback and the IESO's response at its January 2022 meeting
Cost Recovery for Integrating System Changes This engagement will seek input from stakeholders on how to recover costs from customers for requested services performed by the IESO and the proposed phase-in strategy. The initiative will seek to bring greater alignment between the costs of the service and the customer initiating the request, as opposed to recovering these costs volumetrically from all consumers. <i>Engagement Lead:</i> Jason Grbavac <i>Related Active Engagements:</i> • N/A	 Two feedback submissions were received following the July 22 webinar and the response to feedback document was posted on September 30 	 A second engagement session will be scheduled and all registered participants will be notified

Active Engagement	Current Status	Next Steps
Improving Accessibility ofOperating ReserveThe IESO is seeking feedback on anissue related to the OperatingReserve (OR), whereby the amount ofOR scheduled is not fully accessible.Engagement Lead: Jason GrbavacRelated Active Engagements:• N/A	 At the July 27 Technical Panel meeting, members voted in favour of posting the Improving Accessibility of Operating Reserve proposed market rule amendment for broader stakeholder comment Feedback on the proposed market rule amendment was due by August 12 	 There are no further engagement meetings planned at this time Updates will be provided on the outcome of the Technical Panel processes
Improving Awareness of SystemOperating ConditionsThe IESO informs stakeholders ofsystem operating conditions throughadvisory notices and operating states.This engagement will review what theIESO communicates to stakeholdersthrough these channels with the goalbeing to improve awareness ofsystem operating conditions.Engagement Lead: Jason GrbavacRelated Active Engagements:• N/A	 One feedback submission was received following the April 22 engagement session The feedback submission, along with the response to feedback document have been posted 	The next engagement session will be scheduled during the January engagement days
Market Renewal Program (MRP)ImplementationThe Implementation phase of theMarket Renewal Program will begin bycodifying the design into the MarketRules and Market Manuals, and thenproceed onto creating tools, testing,training and readiness for bringing therenewed market to life.Engagement Lead: Declan DoyleRelated Active Engagements:• Resource Adequacy• Enabling Resources• DER Market Vision & DesignProject• Hybrid Integration	• Stakeholders submitted feedback on the Market Power Mitigation batch of draft market rules and market manuals in mid- October, and the IESO will respond before the end of the year	 The IESO will engage with stakeholders on December 15 to navigate design solutions A Market Participant Readiness Plan will be posted for comment The revised Market Power Mitigation batch of market rules will proceed to the Technical Panel process in January for the vote to post for stakeholder feedback The Calculation Engine batch of market rules and market manuals will be posted for stakeholder review in February 2022

Active Engagement	Current Status	Next Steps
Updates to IESO Monitoring Requirements: Phasor Data The IESO is seeking feedback on proposed updates to Appendices 4.15/4.16 to enable generators and transmitters to install phasor technology infrastructure and provide phasor data to the IESO. Engagement Lead: Colin Campbell Related Active Engagements: • N/A	 The IESO received four feedback submissions following the September 21 webinar The response to feedback document has been posted 	 The draft Market Rules will be presented to the Technical Panel in December, 2021 Market Rules will be implemented in Q1 2022, and Market Manual updates to follow shortly afterwards

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
Industrial Energy Efficiency Program The 2021-2024 Conservation Demand Management (CDM) Framework will include a new customer focused program in 2022 for large transmission and distribution connected industrial consumers. The program is anticipated to enable large industrial consumers to specify funding needed to meet capital hurdles, or other business case requirements for large complex projects. Engagement Lead: Trisha Hickson Related Active Engagements: • N/A	 Phase 2 of this engagement was held on October 19, to solicit feedback on the proposed program framework including items such as application process and project selection criteria IESO response to stakeholder feedback will be posted by end of December 	• The next engagement session will take place in Q1, 2022 to present final draft program documents
Innovation and Sector Evolution White Papers 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: Colin Campbell Related Active Engagements: DER Potential Study DER Roadmap IESO York Region Non-Wires Alternatives Demonstration	 The IESO published Parts I and II of <i>Exploring Expanded DER Participation in the IESO-Administered Markets</i> white papers in October 2019 and November 2020 The IESO has posted a document to the engagement webpage that summarizes stakeholder feedback received following the November 19 webinar and provides the IESO's response to feedback 	• The final white paper will be posted with revisions in Q4, 2021

Project

Active Engagement	Current Status	Next Steps
IESO York Region Non-Wires Alternatives Demonstration Project 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: Colin Campbell Related Active Engagements: DER Market Vision & Design Project DER Potential Study DER Roadmap Innovation and Sector Evolution White Papers	• The IESO and Alectra held a webinar on July 20 to provide an overview of the second operational year of the Demonstration Project for prospective participants as well as the broader stakeholder community	 The Final Year 2 Demonstration Program Rules and Contracts have now been posted Initial Year 2 registration opened on August 25

Updates on the Stakeholder Advisory Committee and Technical Panel

Group	Current Status	Next Steps
Stakeholder 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: Jordan Penic	 SAC met on November 4 to discuss: Gas phase-out assessment report next steps Future resource acquisition plans and system need A meeting recording is available on the SAC web page and meeting notes will be posted shortly 	The next public SAC meeting will take place in Q1 2022
Technical Panel (TP) The Technical Panel's mandate is to review amendments to the Market Rules for Ontario's electricity market, and as requested, advise the IESO Board of Directors on specific technical issues relating to the operation of the IESO-administered market. <i>Engagement Lead:</i> Agatha Pyrka	On the MRP Market Power Mitigation batch, the IESO provided a preliminary review of Market Rules and Market Manuals in November	 A new item on updates to Synchrophasor Monitoring Requirements will be introduced to the Panel in December and Technical Panel members will also discuss interactions with the Markets Committee of the IESO Board The December meeting will also include an annual item which is to review the effectiveness of the Panel On the MRP Market Power Mitigation batch, the Panel will vote on whether to post the amendments for broader stakeholder feedback in January Also in January, the Panel will receive education on a new item which is enhancements to the 2022 Capacity Auction and will vote on whether to post for stakeholder feedback, the item on Adjustments to Intertie Flow Limits