

Feedback Form

2020 Annual Planning Outlook Engagement – January 26, 2021

Feedback Provided by:

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Following the January 26, 2021 engagement webinar on 2020 Annual Planning Outlook (APO), the Independent Electricity System Operator (IESO) is seeking feedback from participants on the APO report, module, methodology and supplemental data. The engagement presentation, the 2020 APO, and additional information on the outlook can be found on the [Annual Planning Outlook webpage](#). The IESO will work to consider feedback and incorporate comments in future outlooks as appropriate.

Please provide feedback by February 17, 2021 to engagement@ieso.ca. Please use subject: *Feedback: 2020 Annual Planning Outlook Engagement*. To promote transparency, this feedback will be posted on the [Annual Planning Outlook webpage](#) unless otherwise requested by the sender.

Thank you for your time.

2020 Annual Planning Outlook Report

Topic	Feedback
What chapter/section is most helpful? Choose all that apply: Demand forecast, supply outlook, transmission outlook, capacity adequacy, energy adequacy, surplus baseload generation, transmission security, integrating needs, meeting needs, marginal costs, greenhouse gas emissions, other Tell us more: What did you like about it?	
What do you want to read more about?	
What key factors, uncertainties, and additional considerations should the IESO include in future outlooks?	

2020 Annual Planning Outlook Modules, Methodology, and Supplemental Data

Topic	Feedback
Are the assumptions, inputs, and methodology reasonable?	
What information do you want to see more of?	

General Comments/Feedback

APPo appreciates the opportunity to provide comments on the Annual Planning Outlook report and process to complete the annual report.

The IESO's Annual Planning Outlook is a foundational document, which will serve as the basis for resource procurement in Ontario. The results of this important engagement will provide resource procurement direction and actions in Ontario for many years to come.

While the future is unclear with respect to future demand, it is almost certain that recovery from the pandemic, increasing electrification over time in transportation and building heating and cooling in response to Net Zero policies and hardening the grid for greater resilience will almost certainly require at least as much capacity if not more than exists today. In that respect, the APO must provide a reasonable set of scenarios, with sensitivities that will represent clear signals to market participants to take timely action to ensure the reliability in Ontario.

Directionally, APPrO finds the APO helpful. Additional detail this year around zonal adequacy and transmission security was helpful. We encourage IESO to continue providing similar, more granular information corresponding to zonal needs.

APPrO's comments are designed to support more detailed comment provided by a number of its members. And, we reiterate many comments made previously both by APPrO, its individual members and other organizations over the course of the engagement.

- As APPrO has noted before, transparency relating the IESO's assumptions, analysis, data, and methodologies remains is of critical importance if the IESO is going to be able to leverage competition and competitive tension for the benefit of Ontario ratepayers. It would be helpful to understand the economic evaluations and other factors used that lead to decisions. The final result and conclusion is usually provided but information on how the conclusion was derived is not provided. Without transparency and necessary detail provided during the planning process and in planning documents, resource adequacy activities regardless of their design will not deliver their potential value to Ontario ratepayers.
- While it was reasonable to present a 'fast recovery' vs. 'low recovery' case, it would be more clear for IESO to have one Reference Case and sensitivities to that, rather than two cases with little sense of which one was more likely. Providing some additional commentary or analysis on the changes of the current year APO versus the prior year could be helpful, as it would help readers understand what had changed and why.
- For both energy adequacy and energy production assessments, load forecast uncertainty or more scenarios should be considered in recognition of growing electrification and electric vehicle loads and changing intra-day and seasonal load shapes.
- Temporary changes were made to the ICI program in 2020. Going forward it is assumed that the ICI program will be reinstated to some extent and when it is, the IESO should revise its forecasts accordingly. Seeing the actual data for 2020 to determine the impact of the ICI temporary suspension would be useful. Overall, there is a lack of clarity around how the ICI forecast that show a lower impact of ICI in the future. What are the drivers behind the decrease and why is ICI expected to be less than in previous years?
- IESO has not incorporated the carbon price path announced by the Federal Government in December 2020. While it was announced shortly before the APO was to be released and there are still uncertainties about how closely Ontario's own climate plan will need to adhere to Ottawa's, higher carbon prices are likely in the future, and the IESO should incorporate a most-likely scenario for planning purposes.
- The IESO provided little detail regarding Fuel Security Issues. This is an area that deserves more attention going forward. Natural gas resources will be relied upon in large measure fill in the gap left during nuclear refurbishment and post-Pickering retirement and it's not clear what scenarios the IESO has run in order to assure itself that fuel supply constraints will not constrain availability of resources. This also becomes a concern with respect to resource adequacy and transitional arrangements for assets coming off

contract. APPrO has raised this point on numerous occasions but it has not not yet been adequately addressed as part of the IESO's Resource Adequacy Engagement.