Feedback Form

2021 Annual Planning Outlook Engagement – January 25, 2022

Feedback Provided by:

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- Date: Feb 18, 2022

Following the January 25, 2022 engagement webinar on 2021 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 2021 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 18, 2022 to engagement@ieso.ca. Please use subject: *Feedback: 2021 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.

2021 Annual Planning Outlook Report – General

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, locational considerations, integrating 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?	

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2021 Annual Planning Outlook – Demand Forecast Specific Questions

Topic	Feedback
For consideration for future assessments, are there any known policy instruments that should be flagged for the IESO Planners?	
Are the assumptions for the electricity demand drivers reasonable?	
IESO would appreciate any early signaling of known industrial large loads or expansion projects that may increase loads.	

2021 Annual Planning Outlook – Transmission Specific Questions

Topic	Feedback
In the 2021 APO we improved how we presented transmission issues/locational requirements. Specifically, we consolidated and described the locational requirements due to transmission constraints in Chapter 5 and summarized them in Chapter 6. In the 2022 APO, we look to further improve how the IESO presents this information and, as such, we are seeking feedback on the changes made in the 2021 APO (namely Chapter 5 and the summary in Chapter 6), and/or advice to inform further improvements to how this information is presented in the 2022 APO.	

2021 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:

The IESO is forecasting significant energy and capacity needs in the province, with those needs emerging as early as mid-decade under some scenarios. Under all scenarios, the IESO is expecting Ontario to become a significant net importer of electricity from other jurisdictions, whereas Ontario has historically been a large net exporter. In the bookend case in which existing resources are not retained, the IESO forecasts 44 TWh of imports per year by the end of planning period – over seven times greater than the level of imports historically observed.

To the degree the IESO relies on imports to meet future energy or capacity needs, it should do so cautiously. Neighbouring jurisdictions will be undergoing similar energy transitions at the same time as Ontario. Electrification and the push to decarbonize electricity grids will tighten supply conditions across the Northeastern footprint; imports from other jurisdictions should not be treated as given.

The IESO's treatment of the prospective Lake Erie Connector (LEC) may be instructive. If built, the IESO is relying on the LEC to reduce capacity needs by 250 MW based on a reliance on non-firm imports. This perhaps downplays the role market forces will play in deciding when and where electricity and capacity will be sold. The LEC will open up firm capacity export opportunities to PJM for uncontracted Ontario supply, and could thus prove to be a net drag on capacity available to Ontario. Furthermore, reliance on non-firm imports as capacity over any intertie is problematic insofar as it relies on non-coincident peak demand between markets and proper pricing signals,

neither of which are guaranteed. To this point, the IESO is forecasting a historically unprecedented increase in the amount of imports to Ontario, but only a modest increase in the price relied upon to incent those imports.

If imports are too heavily relied upon in the long-term planning framework, it'll be too late to build new domestic resources if those imports don't materialize. For this reason, the IESO should limit its reliance on imports when planning for future energy and capacity needs.