Feedback Form

2024 Annual Planning Outlook – April 23, ~~2023~~ 2024

Feedback Provided by:

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To promote transparency, feedback submitted will be posted on the Long-Term RFP engagement page unless otherwise requested by the sender. If you wish to provide confidential feedback, please mark "Confidential".

Following the APO Information Webinar on April 23, 2024, the Independent Electricity System Operator (IESO) is seeking feedback and comments from stakeholders on the items discussed. The webinar presentation and recording can be accessed from the engagement web page.

Please submit feedback to engagement@ieso.ca **by May 7, 2024.**

Future Considerations

Topic	Feedback
Do you have any comments regarding information to include in future outlooks?	See general comments and feedback.

General Comments/Feedback

Capital Power thanks the IESO for their continued work to engage with stakeholders on the Annual Planning Outlook.

Need for more planning scenarios

Ontario is on the precipice of the energy transition. Industrial growth, an unprecedented shift in how electricity will be used, and the emergence of new technologies amplifies the resource adequacy uncertainties and risks expressed by the IESO throughout the report and specifically within section 7. The implications these risks and uncertainties could have on grid reliability, affordability, sustainability, and overall planning by all stakeholders cannot be understated.

Though the report highlights the risk of project in-service delays, it does not attribute the key drivers that may cause potential delays for both near-term and emerging projects. Regulatory and environmental approval processes; policy changes; municipal, Indigenous communities, and other stakeholder concerns; and the overall scale and complexity of energy projects could all result in capacity being delayed or unavailable as assumed within the two planning scenarios. This risk is especially true for long lead projects such as large-scale storage, transmission, nuclear projects, and SMR. Capital Power recommends that these risks be assessed in further detail to ensure assumptions remain realistic. Such risks and other developmental challenges are foreseeable, could have substantial implications to reliability, and could result in costly or less than optimal solutions if appropriate mitigations are not effectively planned.

The same can be said for higher demand growth than assumed. Higher than anticipated demand brought forth by faster electrification or emerging businesses like data centers could foreseeably cause reliability issues.

All this uncertainty and risk means that the IESO must plan for multiple near- and long-term outcomes and have reasonable mitigation plans if specific scenarios come to fruition. Failing to do so will impact reliability, affordability, and broad net-zero initiatives. It could also result in loss of investment within the province.

Consistent with the comments we provided in response to the *Evolving IESO Planning Products* engagement session held October 20, 2023, Capital Power submits that the APO would better serve stakeholders if additional scenarios were included within the report. These scenarios should encompass multiple outcomes of the energy transition and associated uncertainties that impacts key fundamental assumptions like supply and demand. Such an approach would provide more insight into risks and mitigative steps available to the IESO as the industry navigates an unprecedented, uncertain time.

Additional scenarios will provide more useful information for other initiatives reliant on the APO such as procurements and integrated planning activities. The scenarios would also help stakeholders better position themselves for the need for more electricity and the anticipated transformative changes.

Integrated Planning

At a high level, Capital Power is supportive of the Electrification and Energy Transition Panel's recommendations related to the need for more integrated planning between natural gas and electricity. Such integrated planning would likely change or shift the role of the APO and the overall uses of the report. As such, Capital Power recommends that the IESO proactively engage with government and stakeholders to better understand how the APO must evolve and reflect broader energy planning and risks within its outlooks.

Additional items to include within the APO

As stated in our response to the *Evolving IESO Planning Products* engagement, Capital Power recommends the IESO include information on how the capacity contribution of wind, solar, and battery energy storage systems may change as new zero emitting projects are added to the system. This information would be helpful for various planning purposes, including proposal development for the IESO's cadenced energy procurements.

Capital Power also recommends the APO include other key reliability information like frequency response, inertia, and system security. As witnessed in other jurisdictions, stress within these standard operating KPIs is generally the first indication of system needs. Publishing such information would again be helpful to stakeholders as they manage their existing operations or position investment to support the IESO in solving their challenges.