

Formalizing the Integrated Bulk System Planning Process

Stakeholder Feedback & IESO Response from November 23rd, 2018 Webinar

Following the November 23rd Bulk System Planning webinar, the IESO invited stakeholders to provide comments and feedback on the design of a formal integrated Bulk System Planning Process for Ontario to support greater transparency in the process, including:

- How the Bulk Planning Process is expected to evolve to respond to changes in electricity planning, particularly with respect to Market Renewal and the development of an Incremental Capacity Auction (ICA)
- How and where engagement should occur in the Bulk Planning Process
- How the Bulk Planning Process can be improved

The IESO received feedback from:

- [David Suzuki Foundation](#)
- [Ion Cloud](#)
- [TransAlta](#)

This feedback has been posted on the IESO [stakeholder webpage for this engagement](#).

Note on Feedback Summary

The IESO appreciates the feedback received from stakeholders outlining their preferred approach or recommendation on different aspects of the bulk system planning process. These have been noted and will be considered as the engagement moves forward. The IESO has provided a summary table below, which outlines specific feedback or questions for which an IESO response was required at this time.

Stakeholder comments and IESO responses

Topic	Feedback	IESO Response
Bulk Planning Process	Further clarity is needed about capacity and non-capacity needs. It is unclear how the IESO will determine which needs can be solved by new capacity and which needs cannot, and whether stakeholders will have an opportunity to be involved in that determination.	<p>The IESO agrees that transparency in the design and administration of the bulk planning process is crucial, particularly in determining which needs are suitable for capacity solutions, and which are not.</p> <p>The principles to guide this decision making are currently under development, and the IESO hopes to provide further details for comment in the near future.</p>
Bulk Planning Process	The ICA, as currently contemplated, will use zonal capacity prices that may not reflect local constraints or the potential value of existing and prospective resources in the bulk planning process. This requires further clarification of how the locational value of capacity resources will be considered in the ICA and the bulk planning process.	<p>The ICA as it is currently contemplated will reflect transmission constraints in the auction clearing, and will cap prices relative to the cost of new entry for resource capacity.</p> <p>An update to the ICA design will be presented to stakeholders on March 6, with the public release of the draft high level design document, for stakeholder review and feedback, planned for a few weeks later.</p> <p>Both the ICA and bulk planning process design teams are working together to ensure both processes are aligned and will function in a coordinated manner.</p>

Topic	Feedback	IESO Response
Transparency	<p>Further clarity is needed about the inputs to the planning process. For example, it is important for resources to understand how they are being modeled in the IESO's planning processes. This will allow a resource to assess how it could meet identified needs or the impact of its retirement. Posting planning inputs would also give stakeholders an opportunity to review and comment on the inputs for their facilities.</p>	<p>The IESO agrees that it is important for resources to understand how they are modeled in the planning processes. As part of the detailed design of the bulk planning process the IESO will be describing the data inputs required, including when/ how they are reported to stakeholders to ensure accuracy and transparency, while still respecting confidentiality. The IESO will also describe how the data and the bulk planning process outcomes are used in other IESO processes.</p>
Engagement	<p>To maximize opportunities for public engagement, we would suggest stakeholders be allowed to provide input at all the stages listed. This would likely result in enhanced transparency, greater public support for policy decisions and better outcomes overall.</p> <p>Stakeholders should be able to review and provide comments on the identified need and the selection of an approach (e.g., choosing demand management vs. generation vs. transmission) at a minimum.</p>	<p>The IESO agrees that stakeholders should have an opportunity to review and provide comment throughout the Bulk Planning process. The extent and nature of engagement opportunities will be designed as part of the Bulk Planning Process.</p> <p>With regards to feedback on the selection of a solution, in general the IESO's preferred approach for addressing needs will be through competitive procurement. The design contemplated for the ICA will accommodate competition among various resource types, including generation and demand response.</p>

Topic	Feedback	IESO Response
General	<p>There should be sufficient information available from the bulk planning process to allow participants to assess whether it is feasible to develop capacity resources to meet an identified need and compete against wires options.</p>	<p>The IESO agrees that the bulk planning process should provide sufficient information to support participation in competitive procurement programs. In designing both Bulk Planning processes and the ICA, the IESO will endeavor to provide timely and accurate information to stakeholders to assist in their planning decisions.</p> <p>Additionally, as part of ensuring transparency in the bulk planning process, the IESO will seek to make planning assumptions and related process inputs available where possible, while still respecting security and confidentiality concerns.</p>
Bulk Planning Process	<p>Because climate change is such a pressing issue — and renewables are a key solution — we would like to see within the bulk planning process a separate initiative that plans for greater uptake of solar and wind.</p>	<p>It is expected that resource needs identified through the Bulk Planning process will be procured primarily through the ICA. The ICA will strive to be a technology neutral market-based mechanism for acquiring capacity resources to deliver an efficient procurement via a competitive process.</p>

Topic	Feedback	IESO Response
Transparency	<p>In the annual and triannual reports, we would like to see an assessment of the province’s progress on renewable energy planning. We would like to know how Ontario is doing, relative to other provinces, in preparing for greater renewables integration. To promote economic efficiency, we would like to see a comparison of projected generation costs for various power sources, including nuclear, natural gas, solar and wind. This data should be based on full life-cycle analyses. As the Pickering nuclear station is nearing the end of its useful life, we would be especially interested in seeing projected costs for this facility, including expenditures associated with decommissioning.</p>	<p>The IESO posts updates on the progress of procurement initiatives on its website. See link below:http://www.ieso.ca/en/Power-Data/Supply-Overview/Transmission-Connected-Generation</p> <p>However, the IESO does not report Ontario’s initiatives in relation to other provinces.</p>

Topic	Feedback	IESO Response
Engagement	Individual citizens and small organizations do not have the financial resources to provide the same weight in the planning cycles.	The IESO agrees that all stakeholders, regardless of size or financial resources, should have the ability to participate in planning processes. The IESO's engagement principles guide the conduct of both the IESO and the public to help ensure that engagement is conducted with integrity towards an efficient and effective process. Where an opportunity for broader engagement is identified, a draft engagement plan is prepared for review and comment to ensure all interested parties have an opportunity to participate. Opportunities include mechanisms such as a public webinar to go through the draft approach and background information to prepare communities and stakeholders to participate in the process. Public engagement opportunities are announced in the IESO's weekly Bulletin as well as sent to subscribers on the affiliated regional planning list available. Subscription options can be found on the IESO's website at www.ieso.ca/subscribe .

Please note that the information and responses provided by the IESO herein are for information and discussion purposes only and are not binding on the IESO. This document does not constitute, nor should it be construed to constitute, legal advice or a guarantee, representation or warranty on behalf of the IESO. In the event that there is any conflict or inconsistency between this document and the Market Rules, Market Manuals or any IESO contract, including any amendments thereto, the terms in the Market Rules, Market Manuals or contract, as applicable, govern.