

# Stakeholder Feedback and IESO Response

## Regional Planning Process Review Webinar – February 22, 2021 Webinar

Following the February 22, 2021 Regional Planning Process Review engagement webinar, the Independent Electricity System Operator (IESO) invited stakeholders to provide feedback on the materials presented.

The IESO received feedback from:

Energy Storage Canada

EverGreen Energy

Hydro One

Power Workers Union

Utilities Kingston

This feedback has been posted on the [engagement webpage](#).

### Note on Feedback Summary and IESO Response

The IESO appreciates the feedback received from stakeholders. The table below outlines a summary of the feedback received and an IESO response in relation to that feedback.

## Feedback on Future Updates on Regional Planning Process Enhancements

Feedback	IESO Response
<p>Stakeholders suggested the IESO should provide updates on implementation of enhancements to the regional planning process through emails, quarterly status reports and webinars.</p>	<p>Thank you for these suggestions. As noted in the report, the IESO will publicly share its progress on regional planning process improvements through future planning-related engagement activities, which could include written communications and webinars. The IESO will aim to provide an update on these process improvements in Fall 2021.</p>
<p>Hydro One indicated that further active engagement is required on implementation of regional planning enhancements, beyond just providing updates. Hydro One also recommended that IESO work with the most impacted stakeholders on implementation of enhancements to the regional planning process.</p>	<p>While the IESO's active engagement for the Regional Planning Process Review has concluded, it is agreed that impacted stakeholders should be updated as recommendations are implemented, and that some enhancements may require further coordinated work. For recommendations where the Ontario Energy Board (OEB) is the identified lead, a broad set of stakeholders are currently engaged as part of the OEB's Regional Planning Process Advisory Group (RPPAG). For recommendations where the IESO is the identified lead and where further coordination is required, the IESO will coordinate directly with the most impacted stakeholders.</p>
<p>Hydro One is seeking clarity on how IESO will consider feedback previously provided by stakeholders through the Regional Planning Process Review engagement that applies to implementation of the proposed enhancements. Particularly feedback provided on the Straw Man Design is relevant for implementation of the proposed enhancements.</p>	<p>The IESO appreciates the insights provided by stakeholders throughout the review process. The IESO believes the insights provided support the Regional Planning Process Review recommendations, and those insights will continue to inform and guide the implementation work for both the IESO and the OEB's RPPAG going forward. As noted above, the IESO expects there will be opportunities to discuss implementation details when coordinating directly with stakeholders involved in the regional planning process.</p>
<p>Stakeholders provided additional feedback with respect to the recommendations and details within the Final Report, such as:</p>	<p>As previously noted, implementation of the Regional Planning Process Review recommendations will either be led by the IESO or the OEB's RPPAG. For recommendations where</p>

Feedback	IESO Response
<ul style="list-style-type: none"> <li>- Opportunities to improve the Integrated Regional Resource Plan (IRRP) forecast templates</li> <li>- Scope of the IRRP and Regional Infrastructure Plan (RIP) products</li> <li>- End-of-life (EOL) asset replacement process</li> <li>- Cost allocation</li> <li>- The current regional planning process does not lend itself to an “agile” response to market trends, government policies, such as decarbonisation, and the timeframes that are established to meet policy goals.</li> </ul>	<p>the OEB is the identified lead, the additional feedback will be summarized and provided to the RPPAG for further consideration (i.e. streamlining forecasting, scope of IRRP and RIP, EOL, and consideration of cost responsibility).</p> <p>The IESO appreciates the feedback provided by stakeholders with respect to how regional planning responds to market trends, government policies such as decarbonisation, and the timeframes that are established to meet policy goals. Regional planning involves establishing a long-term outlook to ensure that recommendations can accommodate potential future needs. To support this, regional planning evaluates key long-term sensitivity scenarios unique to the region, investigates and communicates the implications of near-term recommendations on long-term options and staging of solutions as required.</p>

### Feedback Related to Non-Wires Alternatives

Feedback	IESO Response
<p>IESO should establish a provincial non-wires solutions working group to advise the IESO on existing barriers to non-wires solutions within active regional planning processes.</p>	<p>The IESO will consider this feedback when developing implementation plans for the recommendation to formalize the IRRP non-wires analysis sub-process this year. Consistent with previous planning cycles, specific advisory committees or working groups can also be formed on an as-needed basis for individual plans (e.g. Kingsville-Leamington Local Advisory Committee).</p> <p>Stakeholders who wish to advise more broadly on the different barriers to NWAs can participate in other IESO-led or OEB-led initiatives examining different barriers, as their outcomes will ultimately trigger or guide the necessary changes to regional planning. These include the OEB’s <a href="#">Framework for Energy Innovation: Distributed Resources and Utility Incentives</a> consultation, as well as the</p>

Feedback	IESO Response
	<p>IESO’s <a href="#">Enabling Resources</a> stakeholder engagement.</p> <p>The IESO will continue to participate in the OEB’s Framework for Energy Innovation consultation and work with the OEB to enable increased coordination on initiatives where there is interaction between our two agencies.</p>
<p>A suggestion to conduct a two-part regional capacity auction to achieve accurate price discovery of non-wires solutions.</p>	<p>A competitive mechanism to increase the accuracy of non-wires cost estimates could be resource and time-intensive and may not be a suitable approach for all regions depending on the type of needs. One of the recommended action items is to develop a transparent screening mechanism to determine when more detailed non-wires analysis is required beyond a high-level cost comparison.</p> <p>Generally speaking, procurement options are outside of the scope of the Regional Planning Process Review stakeholder engagement. However, below are some examples of ongoing IESO initiatives that would be better suited to discussion of these concepts.</p> <p>The IESO’s <a href="#">Enabling Resources</a> stakeholder engagement will produce an integrated plan that will outline the sequencing, timing and scope of activities to be undertaken by the IESO to enable existing electricity resources to provide electricity system services in the renewed Ontario wholesale market that they cannot, or cannot fully, currently provide.</p> <p>The IESO is currently sponsoring the <a href="#">York Region NWA Demonstration Project</a>, a pilot initiative exploring the use of auctions to secure local capacity and energy services from DERs. Included in the project scope is the potential for creating a Local Energy Price in Alectra’s distribution system in the York Region. Results of the first local capacity auction can be found <a href="#">here</a>.</p>

Feedback	IESO Response
<p>A formal compensation framework for non-wires solutions continues to be a significant barrier for proper consideration of non-wires solutions. This issue is the responsibility of both the IESO and OEB.</p>	<p>The IESO agrees that a clear compensation framework, including rules and regulations for value stacking, is essential for comprehensive consideration of NWAs. The OEB’s Framework for Energy Innovation initiative will focus on activities such as defining an approach to measure the benefits of DER use cases relative to costs and assess the value of DERs relative to traditional distribution investments. The IESO will continue to participate in this initiative and adapt planning processes to new developments. In addition, in response to stakeholder feedback, IESO is working with OEB on opportunities to enhance coordination on cross-cutting issues between the two organizations.</p>
<p>The value of non-wires alternatives remains unclear because system costs of NWAs are often unaccounted for in current accounting procedures and practices. IESO should prioritize solutions that deliver the best possible value to ratepayers.</p>	<p>The IESO agrees that there are system costs associated with enabling NWAs to connect to the transmission/distribution system and operating NWAs to meet system needs. As noted above, the OEB’s Framework for Energy Innovation consultation will include a focus on defining an approach to measure the benefits of DER use cases relative to costs and assess the value of DERs relative to traditional distribution investments. The IESO will monitor new developments and refine options analysis methodologies to capture both NWA system value and costs as they become monetized.</p>