IESO Summary and Stakeholder Feedback

Grid Innovation Fund (GIF) Governance Roundtable Discussions – December 9-12, 2025

The IESO hosted four virtual roundtable discussions to seek input from across the sector to help inform the review of, and resulting recommendations for, enhancing the GIF governance. The sessions had 81 participants in total with roughly 20 participants per session. In addition to the December 9-12 discussions, the IESO invited all stakeholders to provide comments and feedback on the materials presented by December 24, 2025.

The IESO received written feedback submissions from:

- City of Belleville
- Hydro One
- Aaron Kelly
- Ottawa Renewable Energy Co-operative
- Pembina Institute
- University of Toronto

The presentation materials and written stakeholder feedback submissions have been posted on the Grid Innovation Fund engagement webpage. Please reference the material for specific feedback as the following information provides a summary only. The summary below reflects verbal feedback collected through the roundtable discussions as well as written feedback collected from the feedback forms.

Innovation Ecosystem in Ontario's Electricity System

Topic 1: Why does innovation matter in the electricity system and how can it support the energy transition and evolution of the system?

Stakeholders recognized the important role innovation will play in addressing: increasing demand, changing customer needs, fostering collaboration and new business models, getting ahead of emerging challenges, and adopting, integrating, and scaling new technologies effectively.

Several stakeholders noted the role innovation will play in driving Ontario's independence and resiliency, as well as economic competitiveness.

Stakeholders indicated that innovation lowers energy costs and improves reliability/resilience.

Topic 2: What are the strengths of the current state of innovation in the electricity sector? What is working well?

Many stakeholders highlighted collaboration within the sector as a strength (private and public, with and amongst Local Distribution Companies [LDCs], university/utility initiatives), although there is still room for improvement.

Market strengths noted include transparent market mechanisms, pricing programs, and the emergence of demand response aggregators and innovative energy service providers.

Regulatory frameworks and planning approaches are seen as a strength, although these were also noted as an area with more opportunity.

Topic 3: Recognizing the electricity system of tomorrow will look different than today's, what support do you feel the innovation sector needs to support the energy transition? What are the biggest gaps or challenges to advancing innovation in the electricity sector in Ontario?

Stakeholders suggested there is a need for centralized innovation strategy, noting there is no current provincial research and development (R&D) strategy other than GIF and Ontario Energy Board (OEB) programs.

A key gap identified is the need for commercialization pathways, including greater collaboration and policy/planning integration to scale beyond pilots.

With GIF specifically, and innovation generally, stakeholders feel there isn't adequate sharing of lessons learned and project outcomes.

Barriers to adoption (i.e. regulatory obstacles) of proven innovations is seen as a challenge preventing the advancement of innovation as a whole.

Stakeholders noted that more flexible funding models would enable scalable projects.

Grid Innovation Fund (GIF) Governance Framework

Topic 4a: From your experience, what would you say has worked well to date with GIF?

Stakeholders recognize IESO as a trusted fund administrator and appreciate the level of clarity and transparency provided. IESO is also seen as a credible evaluator.

Collaboration between IESO and OEB is seen as a positive, as well as GIF's recognition of the role of LDCs.

Stakeholders appreciate that GIF evolves with market trends.

IESO's flexibility on contract terms is also appreciated.

Topic 4b: What do you see as potential limitations/risks with the current GIF framework?

Many stakeholders suggested GIF should emphasize commercialization outcomes and adoption barriers (track which projects commercialize, identify system-level barriers, which is often cost).

Stakeholders suggested multi-agency alignment (e.g. coordination with NRCan/NSERC and other funders) could reduce friction and expand participation.

Too much focus on demand management should be remedied and funding should be opened to system level optimization and stability.

Several stakeholders noted that the current funding cap and annual budget is too low.

Topic 5: Do you feel the current mandate is appropriately broad? Too narrow? How could it be refined to better capture the needs of supporting innovation within Ontario's electricity sector?

Stakeholders unanimously suggested the current mandate should be broadened to include things such as: grid resiliency, grid optimization, flexibility, sustainability, data quality and consistency, economic growth alignment, distribution, Distributed Energy Resource (DER) integration, and planning.

Several stakeholders suggested GIF's mandate should be refined to better align with Integrated Energy Plan (IEP)/IESO priorities.

It was suggested that integration with other sectors could open the door for lots of innovation and capitalize on synergies between other sectors as devices electrify.

Topic 6: Thinking about where innovation in the sector is headed, are there project categories you feel should be added or removed to ensure we're able to fund new innovations in the future?

A number of different project categories were suggested: Sustainability and resilience, more categories beyond Conservation and Demand Management (CDM)/Demand Side Management (DSM) (e.g. advancing policy consultations, energy storage, etc.), AI optimization for the grid, home retrofits, electrified heating, community-based, and thermal/district energy networks.

One stakeholder suggested integration between energy streams (thermal, natural gas) is needed.

The concept of data standardization and interoperability of systems was raised as something missing from GIF.

Topic 7: How is the funding amount limiting our ability to meet our broader objectives? What types/scale of projects is GIF unable to support? What types of projects could a larger budget enable GIF to support and how could that allow projects to secure additional funding from other sources?

Stakeholders unanimously felt the overall budget amount is insufficient, noting it's too small a percentage of the overall grid budget, and constrains system-scale innovation (e.g., long duration storage).

Several stakeholders suggested collaboration with other funds would be beneficial.

Some stakeholders advocated for budget carve-outs to provide different amounts of financing depending on project Technology Readiness Levels (TRL) or organization size.

Stakeholders recognized that claw back provisions make LDC participation more difficult due to risk.

Topic 8: Do you think the current approach is best to identify and assess projects? What do you perceive to be the benefits of open calls? Targeted calls? Are there alternative approaches that could be considered?

Stakeholders broadly advocated for rolling intake windows, suggesting it's easier for planning and submission, allows the fund to keep pace with innovation, and helps avoid internal approval barriers.

Support was mixed for targeted vs open calls, noting: targeted calls help find specific solutions and are easier to access for smaller businesses, whereas open calls are good for more general innovation but tend to favour larger business ready for submission.

Several stakeholders suggested creating an innovation accelerator program and/or advisory panel to help applicants.

Next Steps

The IESO appreciates the input received from the roundtable discussions and written feedback forms. Please note that all feedback has been considered and this summary provides a high-level overview of the most repeated themes.

The IESO is continuing work on recommended enhancements to the GIF governance.