

September 26, 2023

Independent Electricity System Operator 1600-120 Adelaide Street West Toronto, ON M5H 1T1

Via email to engagement@ieso.ca

Re: GTA North (York Region) IRRP Study

The Power Workers' Union ("PWU") represents a large portion of the employees working in Ontario's electricity industry. Attached please find a list of PWU employers.

The PWU appreciates the opportunity to provide input on the findings of the GTA North scoping assessment and its proposal to undertake a new IRRP for the region. The PWU is a strong supporter and advocate for the prudent and rational reform of Ontario's electricity sector and recognizes the importance of low-cost, low-carbon energy to the competitiveness of Ontario's economic sectors.

The PWU believes that IESO processes and initiatives should deliver energy at the lowest reasonable cost while stimulating job creation and growing the province's gross domestic product (GDP). We are respectfully submitting our detailed observations and recommendations.

We hope you will find the PWU's comments useful.

Yours very truly,

Jeff Parnell President



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List of PWU Employers

Abraflex Alectra Utilities (formerly PowerStream) Algoma Power AMEC Nuclear Safety Solutions Aptum (formerly Cogeco Peer 1) Atlantic Power Corporation - Calstock Power Plant Atlantic Power Corporation - Kapuskasing Power Plant Atlantic Power Corporation - Nipigon Power Plant Bracebridge Generation Brighton Beach Power Limited Brookfield Power Wind Operations Brookfield Renewable Power - Mississagi Power Trust Bruce Power Inc. Canadian Nuclear Laboratories (AECL Chalk River) Chapleau Public Utilities Corp. Centre Wellington Hydro Collus Powerstream **Compass Group Cornwall Electric** Corporation of the County of Brant Covanta Durham York Renewable Energy Ltd. Elexicon (formerly Whitby Hydro) Enova (formerly Kitchener-Wilmot & Waterloo North) Enwave Windsor Epcor Electricity Distribution Ontario Inc. Erth Power Corporation (formerly Erie Thames Powerlines) Erth Corporation eStructure Ethos Energy Inc. Great Lakes Power (Generation) Greenfield South Power Corporation Grimsby Power Incorporated Halton Hills Hydro Inc. Hvdro One Inc. Hydro One CSO (formerly Vertex) Hydro One Sault Ste. Marie (formerly Great Lakes Power Transmission) Independent Electricity System Operator InnPower (Innisfil Hydro Distribution Systems Limited) Kinectrics Inc. Lakeland Power Distribution Laurentis Energy Partners London Hydro Corporation Milton Hydro Distribution Inc. Mississagi Power Trust Newmarket Tey/Midland Hydro Ltd. North Bay Hydro Northern Ontario Wires Nuclear Waste Management Organization Ontario Power Generation Inc. Orangeville Hydro Limited Portlands Energy Centre **PUC Services** Quality Tree Service Rogers Communications (Kincardine Cable TV Ltd.) Sioux Lookout Hydro Inc.

SouthWestern Energy Synergy North (formerly Kenora Hydro Electric Corporation Ltd.) Tillsonburg Hydro Inc. The Electrical Safety Authority Toronto Hydro TransAlta Generation Partnership O.H.S.C. Westario Power

Power Workers' Union Submission on IESO's GTA North Integrated Regional Resource Plan September 26, 2023

The Power Workers' Union (PWU) is pleased to submit comments and recommendations to the Independent Electricity System Operator (IESO) regarding the proposed Integrated Regional Resource Plan (IRRP) development for the York Region (GTA North). The PWU is a strong supporter and advocate for the prudent and rational reform of Ontario's electricity sector and recognizes the importance of planning for low-cost energy solutions to enhance the competitiveness of Ontario's economic sectors.

On September 12th, IESO held a webinar to review the findings of the IESO's scoping assessment for the GTA North region and asked for feedback on the recommendation to initiate a new regional planning study and IRRP process over the next 18 months. IESO is also seeking feedback on the additional information to be considered as they assess the demand implications and the possibility of phasing out the gas-fired generation within the York Energy Centre.

The PWU applauds the IESO for recognizing the need to consider the significant new growth in forecast demand represented by their Pathways to Decarbonization (P2D) Study, the provincial government's Powering Ontario's Growth Report, and the direction to the IESO to ensure a reliable system for the long run. This recognition has not been present in the IESO's other recent planning initiatives. PWU has recommended on several occasions that the IESO consider the P2D forecast in their overall planning and their regional planning.¹

The PWU makes the following recommendations:

- 1) The IESO should accelerate their regional planning processes; and,
- 2) The IESO should better coordinate the regional planning efforts with the evolution of its annual planning outlook.

Recommendation #1 - The IESO should accelerate their regional planning processes.

The IESO predicts transmission system capacity and power restoration limitations in the next five years across many places in the GTA North region and so urgent action is being recommended. These capacity and reliability challenges have been identified in the absence of the higher demand growth scenarios of the P2D report.

Furthermore, the IESO stated that consideration will be given to a separate a "high electrification" demand forecast that would examine and evaluate the needs that arise on the electricity system in York Region associated with a net zero energy system and provide recommendations on near term actions to facilitate this transition. The PWU suggests that the upcoming Electrification and Energy Transition Panel (EETP) study may present even higher electrification demand than the IESO's P2D report described.

¹ PWU Submission on the IESO's: 2021 Annual Planning Outlook, February 17, 2022; 2023 Annual Acquisition Report Approach, March 9, 2023; 2022 Annual Planning Outlook: Supply Cases, July 12, 2022; Northeast Ontario Bulk System Plan, May 17, 2022; Northwest Region IRRP, May 16, 2022; Central-West Bulk System Plan, August 29, 2023; PWU submission on Ministry of Energy Critical Transmission Infrastructure Environmental Registry of Ontario (ERO) 019-7336, Sept 8, 2023.

As the government's Powering Ontario's Growth Report has made very clear, it is very apparent that Ontario is facing a significant need for new bulk system assets and this need will be emerging faster than the infrastructure can be built. Furthermore, it is now generally accepted that demand due to electrification, particularly for transportation and building heating, is accelerating far faster than most expected.² The implications on the region of the need for new supply infrastructure, such as new nuclear assets, will impact the 10-to-15-year infrastructure horizon within the scope of the proposed IRRP and must be planned for urgently in order to meet those timelines. The proposed 18-month schedule and an IRRP completion date of 2025, is not adequately meeting the planning needs for Ontario. Ontario will need to make decisions well before that on large scale infrastructure such as ensuring the development of the 18 GW of new nuclear the P2D study postulated.

As mentioned above, the PWU has frequently commented that the IESO has been putting Ontario's electricity system at risk by not planning for the higher electricity demand scenarios. Given the already known system and reliability risks, the clear growth in demand that has not yet been modelled, and the long lead times associated with significant bulk system upgrades it is urgent for the IESO to include the new higher demand in its planning as soon as possible and accelerate its IRRP process to complete far sooner than in 18 months. These timelines continue to put Ontario's system reliability at risk.

The PWU believes that the IESO processes that have suited Ontario well during times of modest growth should be re-evaluated to address the rapid demand growth and urgent need to expand Ontario's infrastructure. System bulk planning can be achieved far faster than the 18-month timeline currently proposed if coordinated appropriately.

Recommendation #2 - The IESO should better coordinate the regional planning efforts with the evolution of its annual planning outlook.

Regional planning in the context of the aforementioned significant economic growth and electrification from the energy transition cannot be effectively done on a region-by-region basis in isolation. The need for coordination amongst the regional planning efforts to address the bulk system needs is significant as the footprint of Ontario's electricity system infrastructure to be planned may dramatically change over the next few years as new non-emitting generation is embraced and gas-fired generation is phased out. Characterizing these issues are part of the IESO's Annual Planning Outlook processes.

The EETP is looking at the implications for effectively planning Ontario's energy system and the rapid pace of change will necessitate that the IESO integrate its planning efforts more effectively.

The PWU has recently commented on how most of the IESO's regional plans do not consider the new high growth demand forecast and astoundingly the Annual Planning Outlook process has yet to confirm that it will begin planning for the higher demand. All of this flies in the face of the government's direction to ensure that Ontario has a reliable system as the energy transition unfolds.

² <u>Rapid progress of key clean energy technologies shows the new energy economy is emerging faster than many think</u>, IEA News, July 12, 2023; <u>EVs To Surpass ³/₃ Of Global Car Sales By 2030</u>, <u>Putting At Risk Nearly Half Of Oil Demand</u>, Clean Technica, Sept 16, 2023.

This lack of consistency between government directives and the IESO's planning efforts must be addressed. The PWU recommends that the IESO undertakes to better coordinate the objectives of its various planning efforts as it tries to accelerate the outcomes as discussed above. It may be prudent for the IESO to undertake this planning transformation and avoid the need for government to ask it to undertake a complete and accelerated regional review.

Closing

The IESO's processes should be adjusted to acknowledge and address the critical identified factors that are accelerating demand growth at a pace faster than IESO's processes currently accommodate. We believe these recommendations are consistent with and supportive of Ontario's objectives to supply low-cost and reliable electricity for all Ontarians.

The PWU has a successful track record of working with others in collaborative partnerships. The PWU is committed to the following principles: Create opportunities for sustainable, high-pay, high-skill jobs; ensure reliable, affordable, environmentally responsible electricity; build economic growth for Ontario's communities; and, promote intelligent reform of Ontario's energy policy. We look forward to continuing to work with the IESO and other energy stakeholders to strengthen and modernize Ontario's electricity system.