



July 4, 2016

Independent Electricity System Operator (IESO)  
Enabling System Flexibility, Stakeholder Engagement  
Attention: Ryan King  
Email: [engagement@ieso.ca](mailto:engagement@ieso.ca)

Subject: Request for Feedback on Enabling System Flexibility

The Ontario Society of Professional Engineers (OSPE) is pleased to submit our comments on your Enabling System Flexibility presentation on June 24, 2016. OSPE is the advocacy body and member services organization for engineers in the province of Ontario. OSPE wishes to thank the Independent Electricity System Operator (IESO) for the opportunity for Ontario's power system engineers to submit their comments.

OSPE supports the IESO's efforts to improve system flexibility. We agree that purchasing additional flexible capacity in the regulation or operating reserve markets is one way to provide additional flexibility. However, system flexibility can also be provided by dispatchable (interruptible) electrical load. Fuel switching is an ideal interruptible load to provide power system flexibility.

The Ontario government's recent Climate Change Action Plan acknowledges that fuel switching from fossil fuels to electricity will be needed to meet our long-term greenhouse gas (GHG) emission reduction goals. Unfortunately, the current electricity pricing plans approved by the Ontario Energy Board (OEB) combined with relatively modest prices for emission allowances in the Ministry of the Environment and Climate Change (MOECC) proposed cap-and-trade program do not sufficiently incent fuel switching.

The IESO has forecasted that a significant amount of surplus zero-emission electricity is available for the long term until electrical storage becomes much less expensive. Currently this surplus zero-emission electricity is being exported at low prices or curtailed (wasted) when export is not possible.

OSPE recognizes that the Ministry of Energy (MOE) has not assigned responsibility to either the IESO or OEB to proactively incent fuel switching. Fuel switching applications would constitute a significant dispatchable (interruptible) load and could solve some (if not all) of IESO's system flexibility challenges with variable generation. Fuel switching would also make far better use of curtailed zero-emission electricity to reduce emissions in other sectors and to reduce fossil fuel costs for consumers without imposing any additional cost onto electricity consumers.

OSPE recommends that the IESO reach out to the MOE, MOECC and OEB to develop a viable market for dispatchable (interruptible) load. OSPE suggests that a "voluntary" price plan specifically designed to incent fuel switching be developed for consumers willing to invest in

automatic equipment to facilitate fuel switching based on a suitable real time IESO control signal.

Clean electricity has a very low marginal cost for energy delivered. Now that Ontario has transitioned to a clean electricity system it is an opportune time for Ontario to offer a new voluntary pricing plan for individuals who want to participate in fuel switching. That plan would recognize that capacity demand (kW or kVA) coincident with system peak demand is a distinct and separate service from energy demand (kW). Consumers who want to participate in fuel switching should have an opportunity to subscribe to a new voluntary price plan that is designed to help improve the power system load factor and reduce environmental emissions.

If you would like to discuss these comments in more detail, please contact Patrick Sackville, Policy and Government Relations, at [patrick@ospe.on.ca](mailto:patrick@ospe.on.ca) or 416-223-9961, ext. 225.

We look forward to exchanging views on a regular basis with IESO staff.

Sincerely,



Sandro Perruzza  
Chief Executive Officer  
Ontario Society of Professional Engineers



Michael Monette, P.Eng., MBA  
President and Chair  
Ontario Society of Professional Engineers

Information copies to:

**Honorable Glen Thibeault**  
Minister of Energy

**Honorable Glen R. Murray**  
Minister of the Environment and Climate Change

**Rosemarie T. Leclair**  
Chair and Chief Executive Officer  
Ontario Energy Board

**Bruce Campbell**  
Chief Executive Officer  
Independent Electricity System Operator