



**Notes for Remarks:**

**Association of Power Producers of Ontario**

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Check Against Delivery

## **Introduction**

Thank you for that introduction. The agenda for today and tomorrow features a lot of impressive speakers and thought-provoking panels, so it's an honour to be up here and have the opportunity to speak to you all today.

As we look at the many ways our industry is evolving, it's clear that the generator community will continue to have a big role in shaping our sector. We are fortunate to have a strong voice in APPrO to provide the generator's perspective.

The theme of this year's conference is "Future+Focus," two words that resonate with me, as I'm sure they do for many in this room. How do we bring focus to the future in a sector that is constantly evolving?

This is something I've thought about a great deal since I joined the IESO five months ago. I've listened to many stakeholders, met with staff across the IESO, talked to the government and consulted with my executive leadership team and Board.

Two areas of focus have emerged for me, which I think are consistent with what I've heard from stakeholders. The first is about ensuring a reliable and efficient province-wide power system today and into the future; and the second is about informing policy and fostering innovation. It's these areas of focus that I'd like to talk to you about today.

### **Laying the foundation for tomorrow**

To the first point about reliability and efficiency of the province's power system ... this includes operating and directing the flow of electricity across the province's transmission system in real time, planning from the next five minutes out to the next 20 years and acquiring the resources we need to keep the lights on.

This is the core of what the IESO does, and I'm proud of the leadership and expertise we have at the IESO.

We find ourselves in a stable supply situation right now, thanks in large part to the efforts and investments of many people in this room.

Refurbishments will ensure that nuclear continues to play a big role for decades to come, and work is underway to secure incremental capacity needs when they emerge in the early 2020s.

So when I look to the future and how our sector is evolving, I see a clear need for us to work together. Stakeholder input is, and will continue to be, critical.

There are a few examples I'd like to highlight that illustrate this point: Market Renewal, increasing distributed energy resources and cybersecurity.

### **Moving to a fair, efficient and renewed market**

As you will know, Market Renewal is a program to fundamentally redesign Ontario's electricity market. This initiative is important to me for a number of reasons. A lot has changed since the market opened 15 years ago. Other system operators have introduced changes to their markets and we need to do the same. The positive supply margins that we find ourselves with make this an opportune time to undertake this initiative.

What's most important to us now is making sure stakeholders, including those of you in this room, are on board and able to provide meaningful input.

One thing we've heard is questions about the role of non-emitting resources in the new electricity marketplace. To address this, we've established a Non-emitting Resources Subcommittee to look at a few things, including:

- Removing any barriers to market participation by non-emitting resource generators
- Implications to the market of a high penetration of low- or zero-cost resources, and
- Exploring incentive mechanisms for non-emitting resources.

As a result of recent organizational changes, Market Renewal is now being led by Leonard Kula, our Vice-President of Planning, Acquisition and Operations. I've gotten to know Len over the last five months, and I believe he has the vision and leadership needed to move this important project forward.

Len will be speaking here about Market Renewal tomorrow, so I'll move on and talk for a moment about distributed energy resources and the increasing role they are playing in meeting electricity need.

### **Managing the decentralized grid of tomorrow**

The generation and delivery of energy is no longer a one-way, top-down process. Technological advancements, climate change policies and an increasingly engaged consumer are changing the dynamics of the electricity system.

The increase in distributed energy resources in particular is leading to a more decentralized and interconnected system, with more moving parts. It's important that the IESO work with stakeholders to ensure we can effectively forecast and have visibility of DER activity, and also explore dispatching them through the electricity market.

If we do it right, there will be benefits for Ontario. DERs may help optimize overall system investments and provide grid reliability services, contributing to a more resilient system. And as with Market Renewal, increasing DERs impact a broad range of stakeholders, so it's important that we bring people together to figure out how we move forward.

As our system becomes increasingly interconnected and complex, we are also keenly aware of the need to protect against cyber threats. The IESO has developed stringent practices to increase our capability to deal with cyber security threats. But we know they will grow in frequency, sophistication and complexity. And our preparation for these threats will also have to intensify.

We want to be a thought leader in this space... that will include working closely with industry peers, government agencies and others to share information and work together to develop best practices. A good example of this is an event I attended last week organized by the Canadian Electricity Association, which brought together senior Canadian and U.S. industry and government officials to examine policy-level issues associated with cybersecurity.

So those are a few examples of why reliability and efficiency of our power system is an area of focus for me, and why collaboration is important.

### **Policy implementation informed by engagement**

The second area of focus is around policy and innovation. Working with stakeholders and government, it's important we help ensure that effective energy policies are developed and that these policies are implemented as efficiently as possible.

To make sure this priority receives the proper attention it deserves, I've appointed Terry Young as our Vice-President of Policy, Engagement and Innovation.

The government's recently released Long-Term Energy Plan is an example. It was informed by IESO and stakeholder input, and you can see that reflected in the support for Market Renewal and the recognition of the value each resource in our supply mix has in meeting the needs of tomorrow.

And now we have a key role in implementing its policy initiatives. The IESO is currently developing an implementation plan associated with a number of the items arising from the LTEP. These initiatives range from improving Indigenous conservation programs, to creating innovative DER programs, to evolving the regional planning process.

We are already seeking stakeholder feedback on the general scope and timelines for implementing these initiatives, and in the new year will be creating targeted engagements for each one.

The broad range of these policy initiatives demonstrates the important role the IESO and the broader stakeholder community have in shaping how policy is implemented.

### **Stimulating innovation to create value for Ontario**

As I look out over the next few years, it's clear that the change that this sector is undergoing will continue to accelerate. Innovation will play a key role in helping us navigate through that change and to that end I will be looking to ensure the IESO is enabling that needed innovation.

Part of that will involve using the information, insights and tools the IESO has at its disposal to inform and stimulate innovation.

A really good example of what this looks like is the work that is underway to open up access to de-identified smart meter data in the IESO's central repository, known as the MDM/R, to third party access. We've been receiving ideas for test cases from stakeholders who have innovative ways to use this data. It's still early days, but I'm excited to see how this unfolds over the next year.

I'm also interested to see how the generator community innovates and how the IESO can help foster that innovation. For example, as our system grows more complex, how can we better utilize existing assets -- either to get more flexibility or make sure they continue to be cost-competitive?

### **Continuing the conversation**

To summarize: our industry is evolving fast... the two areas of focus I see as important are reliability and efficiency of our power system, and policy and innovation.

Collaboration will be critical. Working together we can enhance the reliability of our power system, create a more efficient electricity market, inform policy and stimulate innovation.

I encourage you to continue to participate in our engagements. We value the feedback you provide, whether through the Market Renewal Working Group, Technical Panel or our many stakeholder engagements. I know I can count on Dave to provide his perspective through our Stakeholder Advisory Committee.

In closing, let me say how much I value our relationship with APPrO. I look forward to continuing to work with you.

Thank you.