

Memorandum

To: Stakeholder Advisory Committee

From: Chuck Farmer, Director, Stakeholder & Public Affairs

Date: August 15, 2017

Subject: IESO Stakeholder and Community Engagement Update

This memorandum provides an update on recent IESO engagement initiatives, including updates on regional and community engagement, active stakeholder engagement initiatives including the IMDC process review and enabling flexibility as well as an update on Technical Panel business. Updates on other IESO engagements can be found on the [Active Engagements page](#).

Regional Planning Update

Throughout the fall, the IESO will be travelling across the province to speak with communities, customers and stakeholders on a number of regional and community engagement initiatives. These initiatives are intended to support the IESO's strategic objectives of enhancing public confidence in the IESO and seeking out and responding to input from communities.

- The IESO is participating in the Association of Municipalities of Ontario (AMO) Annual Conference to continue our outreach with municipalities. Terry Young will be speaking as a panelist at the energy session and the IESO will have an exhibit booth.
- The IESO will be exhibiting at the Ontario Professional Planners Institute (OPPI) Annual Conference to network with municipal planners to discuss regional electricity planning and other IESO initiatives such as the upcoming Regional Electricity Forums.
- The Local Advisory Committee (LAC) schedule for the fall includes meetings in Toronto, York Region, Parry Sound/Muskoka, Barrie/Innisfil and Ottawa.
 - At the Toronto and York Region LACs, the conversation will focus on the upcoming launch of the second round of regional planning as well as studies in these areas
 - The Parry Sound/Muskoka and Barrie/Innisfil LACs will continue to work on the implementation of the regional plans released in 2016

- The Ottawa LAC will discuss the Local Achievable Potential Study and begin brainstorming on how to best prepare for the next round of regional planning
- The IESO is hosting five regional electricity forums across Ontario throughout the fall. The electricity forums will be full-day sessions with a combined focus on the evolving provincial electricity system and on regional needs. Speakers will be a mix of industry and local leaders. More information is provided under Item 2 of the Business Update - IESO Community Engagement – Regional Forums of the August 23 SAC agenda .

Indigenous Relations

In response to feedback from First Nation communities and through the Aboriginal Energy Working Group, plans are underway with the Ministry of Energy to co-host a two day Aboriginal Community Energy Plan (ACEP) event this fall. The main goal of the event will be to facilitate an opportunity for communities who are in various stages of developing community energy plans to share their experiences and lessons learned with each other. The event will also provide an opportunity for IESO and Ministry staff to understand how best to evolve our engagement strategy and support programs to better enable Indigenous participation in the sector.

In addition, to the ACEP event, the five regional electricity forums hosted across Ontario throughout the fall will be leveraged to continue more focused dialogue with Indigenous communities. Métis councils in the region will be invited to an evening session following the Regional Forum while First Nation communities will be invited to a half day session the following day. More information is provided under Item 2 of the Business Update - IESO Community Engagement – Regional Forums.

IMDC Process Review

The IESO has completed a stakeholder engagement initiative to review the IMDC (Interim Market Document Change) process. The IESO presented the results of its review to stakeholders on March 30 and responded to an additional question. These are captured in the IESO response document available [here](#).

As a result of this engagement, the changes have been published in Baseline 38.0 on July 12, 2017 and open to comments until August 21. A Quick Take document provides a description of the IMDC procedure and its application and is available [here](#). The key steps of the proposed changes in the IMDC Process include the following:

- Posting of a redlined version of the IMDC along with a notification to participants in the IESO weekly bulletin.
- Posting for 5 business days for participant review with comments submitted to Pending Changes mailbox.
- The IESO's subject matter expert reviews and addresses customer feedback directly. If an IMDC is revised as result of feedback, it is reposted with an indication on the webpage, baseline plan and communicated in a bulletin.

- The IESO will consider all comments received allowing a minimum of 3 business day after the review period ends before implementing.
- The IMDC becomes effective once published on the Market Rules and Manuals Library (R&M) page of the IESO website. The IMDC remains on the R&M page until incorporated into the applicable market manual with the next Baseline.

Technical Panel

The IESO Technical Panel (TP) proposes and reviews amendments to the Market Rules, and as requested, advises the IESO Board of Directors on specific technical issues relating to the operation of the IESO-administrated market. Members of the TP are represented by stakeholders in Ontario's electricity sector. A current list of the membership can be found on the [Technical Panel Membership webpage](#).

At their August 15 meeting, Panel members discussed and determined that two proposed market rule amendments were ready to post for broader stakeholder comment. The two proposed rule amendments include:

- **Ancillary Services - Mandatory Requirements for Regulation Service Providers**
The proposed amendments will clarify that certain performance requirements – off-nominal frequency, speed frequency regulation, and voltage ride through – apply to all regulation service providers, regardless of size or connection location. These amendments to the market rules will increase the transparency and consistency of performance requirements for all registered facilities providing regulation service. The specific details of the changes can be found in the Market Rule Amendment Proposal [document](#).
- **Market Rules True-Up – Disconnection Orders**
The proposed amendments will explicitly identify the obligation of transmitters, distributors and other market participants to comply with disconnection orders issued by the IESO to give effect to a suspension order, termination order or an IESO ordered de-registration of a market participant's facilities due to persistent breaches of the market rules. In addition, these market rule changes will propose to amend references to disconnection orders within the grid connection requirements in order to create consistency regarding the types of market participants to whom the IESO may issue a disconnection order. The specific details of the changes can be found in the Market Rule Amendment Proposal [document](#).

For more information or to review the materials for the August 15 meeting, visit the Technical Panel [webpage](#).

Development of Regulation Services RFP

Regulation service plays an important role in ensuring reliable systems operations. It acts to match total system generation to total system demand on a minute by minute or second-by

second basis as required on the electricity grid, and helps correct variations in power system frequency. Informed by the 2016 Operability Assessment ([IESO 2016 Operability Assessment Summary](#)), the IESO identified the need for an additional 50 MW of Regulation Service incremental to the 100 MW of Regulation Service that is typically scheduled every hour.

In September 2016 the IESO launched a Request for Information to assist in the development of a draft Request for Proposal for Incremental Regulation Capacity (“Regulation Service RFP”). Taking stakeholder feedback into consideration, the IESO invited questions and feedback on the draft Regulation Service RFP in June 2017 through a webinar that outlined the details within the proposal. The IESO appreciates the feedback received which was considered in the launch of the final Regulation Service RFP. A summary of the questions and feedback received along with the IESO’s responses can be found on the [Regulation Service RFP](#) webpage under [Frequently Asked Questions](#).

With the posting of the final documents and activation of the proposal submission period in this procurement process, all future questions pertaining to the procurement must be emailed to RegulationRFP@ieso.ca.

The final versions of the procurement documents relating to the Regulation Service RFP are now available on the Regulation Service RFP [webpage](#). Documents include the Regulation Service Request for Proposals, the Contract, prescribed forms as well as detailed next steps this procurement process.