

# Memorandum

To: Stakeholder Advisory Committee

From: Chuck Farmer, Director, Stakeholder & Public Affairs

Date: January 24, 2017

**Subject: IESO Stakeholder and Community Engagement Update**

This memorandum provides an update on recent IESO engagement initiatives, including updates on community engagement, the Conservation Framework: Mid-Term Review, Real-Time Generation Cost Guarantee and Grid-LDC Coordination efforts. Updates on other IESO engagements can be found on the [Active Engagements page](#).

## Regional and Community Engagement

An additional four Integrated Regional Resource Plans (IRRP) have now been released, bringing the total number of plans developed for the first round of regional planning to sixteen. The most recent plans include Thunder Bay, Barrie/Innisfil and Parry Sound/Muskoka released on December 16, and the plan for the Greater London Area was released on January 27.

A new Local Advisory Committee (LAC) is being formed in the Barrie/Innisfil area to support the recently released IRRP. With the formation of this LAC, the total number of committees across the province will increase to eleven. Throughout 2017, opportunities will continue to be explored to see how the LACs can be strengthened and their contributions to regional planning further enhanced.

Outreach to municipal elected officials and staff will continue to be a priority in 2017. A key part of this outreach is exhibiting and participating at municipal conferences. In Q1 2017, the IESO will be exhibiting and attending the annual conferences for the Rural Ontario Municipal Association (ROMA) as well as the Economic Developers Council of Ontario (EDCO). The goal of this outreach is to continue to build the relationship with, and provide value to, municipal representatives from across the province. These relationships are increasingly important given the connection between regional planning and community development, including Community Energy Planning and local initiatives to meet provincial and / or local climate change objectives.

Invitations were sent to all Indigenous communities where Regional Plans were recently completed with an offer to review the plan and next steps. In Q1 2017, the IESO will be meeting with all Williams Treaty communities and with the Mississaugas of New Credit to discuss various plans which are in the traditional territory.

### Conservation Framework: Mid-Term Review

The IESO has launched an engagement initiative to seek input from interested parties on the IESO's Conservation Framework: Mid-Term Review. The Mid-Term Review will inform potential approaches to achieving conservation objectives to 2020 and beyond and will incorporate the Conservation First Framework and the Industrial Accelerator Program. The IESO's work on the Mid-Term Review will be supported by a third party consultant. This engagement initiative will seek input on the review of the framework with a focus on energy savings targets, budgets, progress, lessons learned and how it aligns with Ontario's climate change action plan.

Through open engagement, all LDCs, customers, channel partners and other interested parties will have meaningful opportunities to provide feedback on the framework's success and challenges. In addition, due to the detailed nature of the review, the engagement initiative will be supported by a Mid-Term Review Advisory Group, made up of a variety of representatives, to tackle more detailed discussions. Following a public call for applications, the IESO has appointed the members of the Advisory Group (see chart) based on the 30 applications received. All applicants were offered a spot as a member or an opportunity to be an observer. Registered observers at Advisory Group meetings include representation from CanSIA, Electricity Distributors Association, Enbridge, ENWIN Utilities, Ontario Energy Association, Union Gas and from the Ministries of Energy and Environment & Climate Change.

The first meeting of the Advisory Group is being targeted for later in February 2017 where members will have an opportunity to provide input to the scope of this initiative. The first meeting of the broader engagement initiative is expected in early Q2, 2017.

The IESO appreciates the stakeholder interest demonstrated in this initiative. For more information, and to follow the discussions and meeting materials, visit the [Conservation Framework: Mid-Term Review engagement webpage](#)

<b>Mid-Term Review Advisory Group Membership</b>	
<b>Consumers (5)</b>	
Housing Services Corp.	Parry, Myfanwy
LaFarge	Nuvoloni, Walter
Loblaw	Schembri, Mark
University Health Network	Rubinstein, Ed
CBRE Limited	Abraha, Amha
<b>Local Distribution Companies (5)</b>	
Customer First Inc.	Barker, Chris
Entegrus Powerlines Inc.	Rodd, Margaret
Hydro One	Katsuras, George
PowerStream Inc.	Bond, Raegan
Toronto Hydro-Electric System	Marchant, Michael
<b>Electricity Service Providers/Consultants (2)</b>	
CLEAResult Canada Inc.	Kalyanraman, Guru
Nest Labs	Calin, Iuliana
<b>IESO</b>	
Chair	Katherine Sparkes

## **Real-Time Generation Cost Guarantee Program - Cost Recovery Framework**

The IESO continues to engage with stakeholders on proposed elements for a new cost recovery framework for the Real-Time Generator Cost Guarantee (RT-GCG) Program. At a meeting on December 15, 2016, the IESO presented and discussed a proposal to allow recovery of incremental costs incurred as a result of the cap and trade system, options for transitioning to the new framework, and modifications to the methodologies proposed for allocating planned maintenance costs incurred during start up, based on feedback from the previous meeting.

These proposals have been incorporated into a revised market rule package that the IESO plans to take to the Technical Panel. IESO will seek a vote to post these amendments for stakeholder comment at the next TP meeting in February 2017.

In parallel with the stakeholder engagement, the IESO has also been working with RT-GCG participants to develop resource-specific values for recovering planned maintenance costs, as well as applying the allocation methodologies, as discussed at the December meeting. Some stakeholders have expressed concern that they are not comfortable supporting the changes to the market rules until they have seen their individual values, as these represent a large majority of their operating and maintenance costs. The IESO has provided, or will provide by the end of January, a full assessment of the planned maintenance costs submitted, including draft resource-specific values, for any generator that has completed their cost data submissions. Cost data submissions were originally requested in June 2016.

While not part of this engagement, the IESO has indicated its desire to replace this program with an intra-day unit commitment program. This program would allow for three-part offers and multi-hour optimization similar to the current day-ahead commitment process and is in keeping with recent recommendations from the MSP. This work will be pursued under the energy stream of the Market Renewal Project.

## **Grid-LDC Coordination**

The IESO held a webinar on November 25 to begin discussions with the broader local distribution company (LDC) community on the opportunities for grid-LDC coordination. Over 50 participants registered to attend the session, including a variety of LDC representatives and other sector representative, to discuss the IESO's [draft Grid-LDC Interoperability and Data Sharing Framework](#). The webinar provided an opportunity for attendees to share some examples of how the current IESO/LDC interactions are being used in real-time and to discuss some of the future opportunities already identified in the Framework. Feedback on the webinar was positive and the IESO will take steps to continue these discussions with a focus on providing an ability to learn and share perspectives.

The IESO expects to launch a new Grid-LDC Interoperability Standing Committee shortly. The Standing Committee will provide an opportunity for the IESO and its members to keep informed and engaged on matters relating to the coordination of IESO- and LDC-controlled grid resources and to continue the development of the Grid-LDC Interoperability and Data

Sharing Framework. Committee members will discuss and identify current LDC operations opportunities that have potential to interact with the IESO and highlight areas where collaboration and data sharing opportunities may exist now or in the future. An invitation for membership as well as draft terms of reference will be available for comment. It is expected that membership will be open to operations representatives of distribution and transmission companies who have a broad knowledge of grid operations. Other representatives from the sector will be invited to attend meetings – particularly individuals who might contribute to discussions on emerging technologies and other energy related businesses.

Further information will follow in the IESO's Weekly Bulletin.

### **Review of the Interim Market Document Change (IMDC) Process**

The IESO has begun seeking stakeholder feedback to help shape a review of the Interim Market Document Change (IMDC) Process. The IMDC process is part of the baseline process that is used to introduce a change to a market facing documents (i.e. manuals) between regularly scheduled baseline dates.

Recent feedback from stakeholders, including SAC members, indicated a need to review the IMDC process. Through this engagement, the IESO is seeking feedback regarding the criteria for IMDC use, communication and feedback as well as documenting the process.

A recent webinar, held on January 19 provided important background information on how and why the IESO uses the IMDC process, including triggers and process steps. The IESO is currently awaiting stakeholder feedback from the January 19 webinar in order to help inform the IMDC review.

The IESO will be responding to the feedback received during February, 2017, and will be presenting the results of the IMDC process review to stakeholders in March 2017. For more information visit the [IMDC Process Review webpage](#).

### **Technical Panel – New Terms of Reference**

The IESO's [Governance and Structure By-Law](#) has been updated to transition the structure of the Technical Panel to a new [Terms of Reference](#). This transition was made to align the process of the Technical Panel with the IESO [Engagement Principles](#) and to provide more flexibility to help respond to the evolution of Ontario's electricity sector.

Developed with input from industry stakeholders, including members of the Stakeholder Advisory Committee, the Technical Panel's new Terms of Reference address the operation, administration and membership composition of the Panel.

To fill vacancies and align with the revised membership composition, the IESO is calling for nominations for membership on the Technical Panel. For more information on the Technical Panel please visit the [Technical Panel webpage](#).