

IESO Engagement Update – July 12, 2022

This engagement update provides a snapshot of all active IESO engagement activities. It also helps support a greater understanding of linkages between engagements, and a foundation for more comprehensive and integrated updates. For the most recent information, visit the individual engagement links or the refreshed [Engagement Initiatives](#) webpage.



Forecasting and Planning

Engagements to support provincial and regional electricity planning over the next 20 years.

Active Engagement	Current Status	Next Steps
<p>Bulk Planning – East Ontario A bulk planning study is underway for the Gatineau transmission corridor to examine the transmission equipment reaching end-of-life, assess the scope of refurbishment and look at broader reliability needs.</p> <p><i>Engagement Lead:</i> Sari Gerwitz <i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Formalizing the Integrated Bulk System Planning Process • Regional Planning – Ottawa Area Sub-Region 	<ul style="list-style-type: none"> • Webinars were held on April 13 and 14 to provide an update and seek input on the Gatineau transmission corridor area • Five feedback submissions were received and have been posted to the engagement webpage • One-on-one outreach discussions with municipalities are underway 	<ul style="list-style-type: none"> • An IESO response to feedback document will be posted in July • A webinar will be held on August 11 to review the feedback received and present draft recommendations • The final study is expected to be posted in Q3

Active Engagement	Current Status	Next Steps
<p><u>Bulk Planning – Northeast Ontario</u> A bulk planning study is underway for Northeast Ontario to address emerging needs being driven by strong economic growth and decarbonization initiatives. <i>Engagement Lead: Rouselle Gratela</i> <i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Formalizing the Integrated Bulk System Planning Process • Regional Planning – North & East of Sudbury 	<ul style="list-style-type: none"> • A webinar was held on April 26 to seek feedback on key considerations for the scope, needs and potential solutions to meet the future electricity needs of Northeast Ontario • Seven feedback submissions were received related to the potential transmission reinforcements, non-wires alternatives and consideration of other major prospective developments and areas of needs; the submissions have been posted to the engagement webpage 	<ul style="list-style-type: none"> • An IESO response to feedback document will be posted in July • A webinar will be held in Q3 to provide an overview of the options analysis and seek input on draft recommendations • The final study is expected to be posted in Q3
<p><u>Regional Planning – Niagara</u> Regional electricity planning is underway in this region. <i>Engagement Lead: Rouselle Gratela</i> <i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Formalizing the Integrated Bulk System Planning Process 	<ul style="list-style-type: none"> • A second public webinar was held on April 28 to outline the detailed needs and seek input on the range of potential solutions to be screened • Load profiles for the Beamsville Transformer Station (Town of Lincoln) and Crowland Transformer Station (City of Welland) have been posted to the engagement webpage 	<ul style="list-style-type: none"> • Further outreach and engagement will be undertaken in Q3 to inform the draft recommendations
<p><u>Regional Planning – North & East of Sudbury</u> Regional electricity planning is underway in this region. <i>Engagement Lead: Rouselle Gratela</i> <i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Formalizing the Integrated Bulk System Planning Process • Bulk Planning – Northeast Ontario 	<ul style="list-style-type: none"> • A webinar was held on March 31 to seek input on the draft electricity demand forecast and engagement plan • One feedback submission was received and has been posted to the engagement page, along with the IESO’s response to feedback document • The IESO has posted a detailed electricity demand forecast to the engagement webpage 	<ul style="list-style-type: none"> • Further outreach and engagement to be undertaken in Q3 to inform the detailed study of needs and potential options

Active Engagement	Current Status	Next Steps
<p><u>Regional Planning – Northwest</u> Regional electricity planning is underway in this region. <i>Engagement Lead: Susan Harrison</i> <i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Formalizing the Integrated Bulk System Planning Process • Resource Adequacy 	<ul style="list-style-type: none"> • A webinar was held on April 25 to provide an overview of the demand forecast and seek input on options to meet identified needs for this region; an update was also provided on the Waasigan Transmission Project • Eight feedback submissions were received and have been posted to the engagement webpage 	<ul style="list-style-type: none"> • An IESO response to feedback document will be posted • Further engagement and outreach will be undertaken in Q3
<p><u>Regional Planning – Ottawa Area Sub-Region</u> Regional electricity planning is underway in this region. <i>Engagement Lead: Sari Gerwitz</i> <i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Bulk Planning – East Ontario • Formalizing the Integrated Bulk System Planning Process • Gas Phase-Out Impact Assessment 	<ul style="list-style-type: none"> • An Integrated Regional Resource Plan (IRRP) was completed in February 2020 for this sub-region • The plan recommended additional studies to address the identified needs that extend beyond the 20-year IRRP outlook 	<ul style="list-style-type: none"> • Communications and outreach are targeted for Q3 2022
<p><u>Regional Planning – Renfrew</u> Regional electricity planning is underway in this region. <i>Engagement Lead: Sari Gerwitz</i> <i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Bulk Planning – East Ontario • Formalizing the Integrated Bulk System Planning Process 	<ul style="list-style-type: none"> • Further outreach and engagement review the size and timing of potential growth in the area to inform the development of options • On May 20, an electricity demand forecast was posted for the Renfrew Region 	<ul style="list-style-type: none"> • A webinar will be held on July 26 to seek input on the options under consideration • Feedback on the webinar materials is due by August 16
<p><u>Transmission Losses</u> This engagement will review IESO and Hydro One's practices on how transmission losses are considered in planning and operation of the system, a comparison of these practices to those used in other jurisdictions, and seek stakeholder feedback on potential improvements to these practices. <i>Engagement Lead: Colin Campbell</i> <i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Formalizing the Integrated Bulk System Planning Process 	<ul style="list-style-type: none"> • The IESO posted a draft transmission losses guideline document in July 2021 for stakeholder review and feedback • Two feedback submissions were received and the IESO is developing a response to feedback 	<ul style="list-style-type: none"> • An IESO response to feedback document will be posted in Q3 • Changes will be made to the guideline document and the IESO will post the final version upon closing the engagement

Resource Acquisition

Engagements to ensure we have the tools and processes to acquire the resources we need to maintain a reliable and efficient system.

Active Engagement	Current Status	Next Steps
<p><u>Development of an IESO Competitive Transmission Procurement Process</u></p> <p>The IESO is seeking feedback to aid in the development of a competitive transmission procurement process.</p> <p><i>Engagement Lead: TBD</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none">• Formalizing the Integrated Bulk System Planning Process	<ul style="list-style-type: none">• This engagement was put on hold and IESO is currently determining the next steps associated with this initiative	
<p><u>Distributed Energy Resources (DER) Market Vision and Design Project</u></p> <p>The IESO is seeking feedback from stakeholders on how to cost-effectively enhance the value DERs can provide to Ontario’s electricity system by expanding participation in the wholesale markets.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none">• DER Potential Study• DER Roadmap• Enabling Resources Program• Hybrid Integration Project• Innovation and Sector Evolution White Paper Series• Resource Adequacy	<ul style="list-style-type: none">• A webinar was held on June 22 to discuss the stakeholder feedback received following the January meeting, present criteria by which options for answering the Phase I questions will be assessed, and present the initial set of options for the Foundational model	<ul style="list-style-type: none">• Feedback on the June webinar is due by July 14• Submissions will be posted along with an IESO response to feedback document

Active Engagement

Current Status

Next Steps

Distributed Energy Resources (DER) Potential Study

To help inform our path forward in enabling DERs, the IESO has commissioned a DER Potential Study. The primary objectives of the study are to determine the types and volumes of DERs that exist and can be expected to emerge in Ontario over a 10-year timeframe, as well as identify the potential for these resources to provide wholesale electricity services.

Engagement Lead: **Colin Campbell**

Related Active Engagements:

- [DER Market Vision & Design Project](#)
- [DER Roadmap](#)
- [Enabling Resources Program](#)
- [Hybrid Integration Project](#)
- [Innovation and Sector Evolution White Paper Series](#)
- [Resource Adequacy](#)

- A webinar was held on June 22 where the IESO and the consultant presented the final results of the province-wide Distributed Energy Resources Potential Study, along with insights, recommendations, and next steps on how the results will be utilized

- The IESO will publish the completed report to the IESO website in July
- Stakeholders will have four weeks following the publication of the full report to review and provide feedback

Distributed Energy Resources (DER) Roadmap

The IESO is seeking feedback on the development of a roadmap to set out approaches and expected timing for enhancing DER participation in the IESO-administered markets for the products/services they are technically capable of providing.

Engagement Lead: **Colin Campbell**

Related Active Engagements:

- [DER Market Vision & Design Project](#)
- [DER Potential Study](#)
- [Enabling Resources Program](#)
- [Hybrid Integration Project](#)
- [IESO York Region Non-Wires Alternatives Demonstration Project](#)
- [Resource Adequacy](#)

- The [DER Roadmap](#) was posted in December, 2021 and a joint meeting held with the Ontario Energy Board (OEB) held on April 13 with an updated list, action items, and progress updates on cross-cutting issues
- Two feedback submissions were received and have been posted to the engagement webpage
- The third meeting of the Transmission-Distribution Working Group took place on June 29 (see separate engagement update)

- An IESO response to feedback document will be posted
- The next Transmission-Distribution Working Group meeting is expected to be held in August/September (see separate engagement update)

Active Engagement	Current Status	Next Steps
<p><u>Hybrid Integration Project</u></p> <p>The IESO is seeking feedback on the development of participation model(s) to enable hybrid resources in the IESO-administered markets and have the capability to support Ontario’s future system needs. The changes will be implemented after the implementation of the Market Renewal Project.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • DER Market Vision & Design Project • DER Potential Study • DER Roadmap • Enabling Resources Program • Innovation and Sector Evolution White Paper Series 	<ul style="list-style-type: none"> • An IESO response to feedback document was posted following the April 22 webinar • On June 27, the IESO published the draft design document “Enabling Foundational Hybrid Facility Models” for stakeholder review • The document captures the key concepts and decisions that will enable hybrid facilities to participate in the IESO-administered markets to support Ontario’s future system needs 	<ul style="list-style-type: none"> • Stakeholders may provide feedback to help the IESO ensure the design document reflects the decisions that were identified during stakeholder engagement • Feedback on the draft design document is due by July 22
<p><u>Long-Term RFP</u></p> <p>The IESO is engaging stakeholders on the development of a Long-Term RFP (LT RFP) that will seek resources that can be in service between 2026 and 2028 to address global and regional needs.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Resource Adequacy • Hybrid Integration Project • Market Renewal Program (MRP) Implementation 	<ul style="list-style-type: none"> • The final LT1 RFQ was published on June 3 • A webinar was held on June 9 to discuss key design considerations for the upcoming LT1 RFP and Contract, and to provide an overview of additional procurements • Thirty-two submissions were received following the June webinar and have been posted to the engagement webpage 	<ul style="list-style-type: none"> • An IESO response to feedback document will be posted • The IESO will be reporting back to the government on feedback received and design considerations in July

Active Engagement

Current Status

Next Steps

Resource Adequacy

The IESO is engaging stakeholders to further develop a long-term competitive strategy to meet Ontario's resource adequacy needs reliably and cost-effectively while recognizing the unique needs of different resources.

Engagement Lead: Jason Grbavac

Related Active Engagements:

- [DER Market Vision & Design Project](#)
- [DER Potential Study](#)
- [DER Roadmap](#)
- [Enabling Resources Program](#)
- [Formalizing the Integrated Bulk System Planning Process](#)
- [Long-Term RFP](#)

- A webinar was held for the small hydro program on June 22 to provide an overview of the feedback received from the previous engagement meetings and direct facility discussions, including the evolved design considerations
- At the July 12 Technical Panel meeting, members voted to recommend the rule amendment proposal associated with Enabling Generator-Backed Imports for the 2022 Capacity Auction to the IESO Board of Directors

- Feedback on June 22 small hydro webinar is due by July 14
- Enhancements to future Capacity Auctions will be engaged on in Q3 and Q4
- The IESO Board of Directors will review the proposed market rule amendments for Enabling Generator-Backed Imports at their next meeting

Operations

Engagements to ensure that Ontario's electricity resources are operating reliably within the IESO-administered market, while also undertaking continuous market improvements.

Active Engagement	Current Status	Next Steps
<p><u>Adjustments to Intertie Flow Limits</u></p> <p>The IESO is proposing to add clarifying language to the market rules specifying when internal transmission constraints will be considered by the IESO in setting intertie flow limits.</p> <p><i>Engagement Lead: Jason Grbavac</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none">N/A	<ul style="list-style-type: none">At the July Technical Panel meeting, members voted to recommend the proposed market rule amendments to the IESO Board of Directors	<ul style="list-style-type: none">The IESO Board of Directors will review the proposed market rule amendments at their next meeting
<p><u>Cost Recovery for Integrating System Changes</u></p> <p>This engagement will seek input from stakeholders on how to recover costs from customers for requested services performed by the IESO and the proposed phase-in strategy. The initiative will seek to bring greater alignment between the costs of the service and the customer initiating the request, as opposed to recovering these costs volumetrically from all consumers.</p> <p><i>Engagement Lead: Jason Grbavac</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none">N/A	<ul style="list-style-type: none">An IESO response to feedback was posted in September based on the feedback received from the July 2021 webinar	<ul style="list-style-type: none">An update on the next steps for this engagement will be provided in August
<p><u>Improving Accessibility of Operating Reserve</u></p> <p>The IESO is seeking feedback on an issue related to the Operating Reserve (OR), whereby the amount of OR scheduled is not fully accessible.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none">N/A	<ul style="list-style-type: none">At the June Technical Panel meeting, Panel members voted unanimously to recommend the proposed market rule amendments to the IESO Board	<ul style="list-style-type: none">The IESO Board of Directors will review the proposed market rule amendments at their next meeting

Active Engagement**Current Status****Next Steps**

Market Renewal Program (MRP) Implementation

The Implementation phase of the Market Renewal Program will begin by codifying the design into the Market Rules and Market Manuals, and then proceed onto creating tools, testing, training and readiness for bringing the renewed market to life.

Engagement Lead: **Declan Doyle**

Related Active Engagements:

- [Resource Adequacy](#)
- [Enabling Resources](#)
- [DER Market Vision & Design Project](#)
- [Hybrid Integration](#)

- The IESO has responded to comments on the Calculation Engine batch of market rules, and posted the red-lined updates to those documents
- The IESO discussed with stakeholders at the previous engagement discussion some practical implementation updates relating to Thermal State transitions, and the Transmission Right Market transitional design, and has also posted some background information on Constraint Violation Pricing for Dispatchable Hydroelectric Resources

- A webinar will be held on July 21 to provide and update on further amendments to the Market Power Mitigation Market Manuals, as well as provide an update on RSS Implementation activities
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Sector Evolution

Engagements that look to the future to see how innovation, new technologies and new collaborations can improve how we conduct our business.

Active Engagement	Current Status	Next Steps
<p><u>2021-2024 Conservation and Demand Management (CDM) Framework – Mid-Term Review</u> The Minister of Energy has asked the IESO to assess the performance of existing CDM programs and the alignment of targets and budgets with emerging customer and system needs. <i>Engagement Lead: Jason Grbavac</i> <i>Related Active Engagements:</i></p> <ul style="list-style-type: none">• 2021 Annual Planning Outlook• 2022 Annual Acquisition Report• Pathways to Decarbonization	<ul style="list-style-type: none">• A webinar was held on April 22 to inform stakeholders of the mid-term review process and approach, seek input on CDM trends, program gaps and opportunities• Five feedback submissions were received and have been posted to the engagement webpage, along with the IESO response to feedback document	<ul style="list-style-type: none">• The next engagement session will take place on July 19 and will present preliminary findings from the CDM Mid-Term Review related to the customer needs review, program needs review, and competitive mechanisms review for stakeholder feedback
<p><u>Clean Energy Credits</u> The Ministry of Energy has asked the IESO to assess options for the establishment and ongoing operation and management of a registry to support the creation and/or recognition, trading and valuation, and the retirement of renewable and clean energy credits (CECs) within the province. <i>Engagement Lead: Trisha Hickson</i> <i>Related Active Engagements:</i></p> <ul style="list-style-type: none">• N/A	<ul style="list-style-type: none">• A webinar was held on April 21 to discuss feedback received to date, registry features & functionality, product offering options and next steps• Thirteen submissions were received and have been posted to the engagement webpage• The IESO also hosted five technical sessions focused on specific areas of design to collect more detailed feedback	<ul style="list-style-type: none">• An IESO response to feedback document will be posted by August• The next engagement session is scheduled for Q3 2022

Active Engagement	Current Status	Next Steps
<p><u>Innovation and Sector Evolution White Papers</u></p> <p>The IESO intends to develop and release a series of white papers to support the creation of a shared, fact-based understanding of emerging opportunities and trends.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • DER Potential Study • DER Roadmap • IESO York Region Non-Wires Alternatives Demonstration Project 	<ul style="list-style-type: none"> • A webinar was held on February 23 where the IESO began discussions on the next white paper in the series: Applications of Artificial Intelligence (AI), Machine Learning and other Advanced Technology in the Electricity Sector • The IESO sought feedback on key considerations to inform the future strategy of this technology and to understand market participant goals • Responses to the AI Whitepaper Survey were due by March 31 	<ul style="list-style-type: none"> • The IESO is currently reviewing the AI Whitepaper Survey responses
<p><u>IESO York Region Non-Wires Alternatives Demonstration Project</u></p> <p>The IESO, with support from Natural Resources Canada, is undertaking a demonstration in York Region to explore market-based approaches to secure energy and capacity services from Distributed Energy Resources (DERs) for local needs.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • DER Market Vision & Design Project • DER Potential Study • DER Roadmap • Innovation and Sector Evolution White Papers 	<ul style="list-style-type: none"> • The Final Year 2 Demonstration Program Rules and Contracts were posted on August 25 with the opening of the Initial Year 2 registration • On October 20-21, pre- and post-auction reports were posted for Year 2 	<ul style="list-style-type: none"> • An Evaluation Report including lessons learned will be published by Q4 2022; this is the last major milestone for this engagement

Active Engagement	Current Status	Next Steps
<p><u>Pathways to Decarbonization</u></p> <p>The IESO will inform stakeholders on the study approach and provide transparency around the assumptions that will be used in the analysis of the Ministry’s request that the IESO evaluate a moratorium on the procurement of new natural gas generating stations in this decade (reliability, cost, environmental considerations) and develop an achievable pathway to phase out natural gas generation and achieve zero emissions in the electricity sector.</p> <p><i>Engagement Lead: Trisha Hickson</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Clean Energy Credits • 2021 Annual Planning Outlook • 2022 Annual Acquisition Report • Resource Adequacy • DER Potential Study 	<ul style="list-style-type: none"> • The IESO intends to post its response to feedback received on the study assumptions by August 	<ul style="list-style-type: none"> • Next steps on the study and engagement plans to follow in Q3/Q4

Updates on the Stakeholder Advisory Committee, Technical Panel and Transmission-Distribution Coordination Working Group

Group	Current Status	Next Steps
<p><u>Stakeholder Advisory Committee (SAC)</u></p> <p>The Committee is a forum for its members to be informed of IESO activities and to provide timely policy advice and feedback both broadly on behalf of the electricity sector and their constituency, directly to the IESO Board and Executive with respect to the IESO's mandate.</p> <p><i>Engagement Lead: Jason Grbavac</i></p>	<ul style="list-style-type: none"> The SAC met on July 6 to discuss several business updates, the IESO corporate strategy and a challenge statement related to maximizing existing resources 	<ul style="list-style-type: none"> The next public SAC meeting is targeted for September and will be communicated shortly The final two SAC challenge statements will be discussed at the next public SAC meeting
<p><u>Technical Panel (TP)</u></p> <p>The Technical Panel's mandate is to review amendments to the Market Rules for Ontario's electricity market, and as requested, advise the IESO Board of Directors on specific technical issues relating to the operation of the IESO-administered market.</p> <p><i>Engagement Lead: Agatha Pyrka</i></p>	<ul style="list-style-type: none"> At the July meeting, members voted to recommend market rule amendment proposals on two items to the IESO Board of Directors - Adjustments to Intertie Flow Limits, and 2022 Capacity Auction enhancements related to enabling generator-backed imports as well as administrative updates The July meeting also included an education item on the MRP Calculation Engine batch 	<ul style="list-style-type: none"> No meeting is scheduled for August

Group	Current Status	Next Steps
<p><u>Transmission – Distribution Coordination Working Group</u></p> <p>The Transmission-Distribution Coordination Working Group (TDWG) will work closely with LDCs and other stakeholders to inform the DER Market Vision and Design Project. This is a key focus area of IESO’s Distributed Energy Resources (DER) integration activities and is what much of the near-term DER Roadmap efforts build towards. The TDWG will provide a forum for in-depth engagement on T-D coordination.</p> <p><i>Engagement Lead:</i> Colin Campbell</p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • DER Market Vision & Design Project • DER Roadmap • IESO York Region Non Wires Alternatives Demonstration Project • Innovation and Sector Evolution White Paper Series 	<ul style="list-style-type: none"> • The third meeting of the Transmission-Distribution Coordination Working Group was held on June 29 and focused on IESO market dispatch data submission and outage request submission processes as background for the TDWG members to support the development of the conceptual coordination protocols 	<ul style="list-style-type: none"> • Feedback on the June meeting materials is due by July 20 • The next Working Group meeting is expected to be held in August/September and will focus on the Joint Utilities of New York’s draft DSP Communication and Coordination Manual as well as draft “cross-participation” rules for energy and reserve as part of distribution services and the wholesale market