# IESO Engagement Update March 14, 2024

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 <u>Engagement Initiatives</u> web page.

### Forecasting and Planning

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



Active Engagement	Current Status	Next Steps
Annual Acquisition Report The Annual Acquisition Report (AAR) translates planning and operational information into a series of procurement and market activities using the Resource Adequacy Framework. Engagement Lead: Trisha Hickson Related Engagements: • Resource Adequacy	<ul> <li>A webinar was held in October 2023, to discuss the IESO's plan to merge the AAR into the Annual Planning Outlook (APO).</li> <li>Seven feedback submissions were received following the webinar and have been posted to the engagement webpage.</li> <li>The anticipated release date for the 2023 APO is March 2024.</li> </ul>	<ul> <li>This engagement has now concluded.</li> <li>A final engagement summary report will be posted to the engagement webpage in March.</li> </ul>



Active Engagement	Current Status	Next Steps
Bulk Planning – Central West This engagement will seek input from stakeholders and communities on the Central-West Bulk Planning initiative. Engagement Lead: Fatema Khatun	<ul> <li>A report outlining the results of Stage 1 of the planning study will be published in Q1 2024.</li> <li>A public engagement session was held on Feb 23 during Stakeholder Engagement days to present an overview of the upcoming bulk transmission system planning activities and proposed engagement approach, as well as provide an update on the Central-West bulk plan.</li> <li>Stakeholder feedback due by March 8, 2024.</li> </ul>	<ul> <li>The public Report on Central-West Bulk Study will be published in March 2024.</li> </ul>
IESO Market and Planning Data Engagement Engagement to better understand how the IESO can provide greater access to Market and Planning data. Engagement Lead: Fatema Khatun	<ul> <li>This engagement was announced in the IESO Bulletin on November 23, 2023.</li> <li>Stakeholders were invited to complete a questionnaire on their preference on data access and the use of data.</li> <li>11 responses to the questionnaire received and posted on engagement page.</li> </ul>	• An engagement session on the findings from the questionnaires to better understand the views of IESO Market and Planning data will be held on March 21, 2024.
Northern Ontario Voltage Study The IESO will share outcomes of a voltage study addressing current limitations in Northern Ontario's electricity infrastructure. The IESO is actively assessing strategies to ensure reliability and stability amid transformative changes. <i>Engagement Lead:</i> Fatema Khatun	<ul> <li>The <u>Bulk System Reactive</u> <u>Requirement in Northern Ontario</u> <u>Study</u> was published in December 2023.</li> <li>A public information webinar was held on December 12 to present the findings of the voltage study.</li> </ul>	• A summary of the public information session will be posted to the webpage later this month.

Active Engagement	Current Status	Next Steps
Regional Planning – Burlington to Nanticoke Regional electricity planning is underway in this region. Engagement Lead: Andreea Nicoara Indigenous Relations Lead: Nadia Mirabelli	<ul> <li>A webinar was held in September 2023 to provide an overview and seek input on the draft electricity demand forecast and the engagement plans for each of the three sub-regions – Brant, Hamilton and Caledonia- Norfolk.</li> <li>Three feedback submissions were received and have been posted to the engagement webpage, along with an IESO response to the feedback.</li> </ul>	Engagement will continue to develop Integrated Regional Resource Plans (IRRP) for the region.
Regional Planning – Ottawa Area Sub-Region Regional electricity planning is underway in this region. Engagement Lead: Sari Gerwitz Indigenous Relations Lead: Nadia Mirabelli	<ul> <li>The final Scoping Assessment Outcome Report was posted in March 2023, recommending the development of an IRRP for the Ottawa Area sub-region.</li> <li>The report also concluded that no further coordinated regional planning is required for the Outer Ottawa East and West Sub-regions.</li> </ul>	• Engagement on the Ottawa Area sub-region IRRP will begin in Q2 2024.
Regional Planning – Toronto Regional electricity planning is underway in this region. Engagement Lead: Sari Gerwitz Indigenous Relations Lead: Nadia Mirabelli	• The final Scoping Assessment Outcome Report was posted in March 2023, recommending the development of an IRRP for the Toronto region.	• Engagement on the Toronto area IRRP is targeted to begin at the end of March. A webinar will be held in April 2024, to provide an overview of the electricity landscape and regional planning process, including engagement opportunities.

Active Engagement	Current Status	Next Steps
Regional Planning – GTA North (York Region) Regional electricity planning is underway in this region. Engagement Lead: Sari Gerwitz Indigenous Relations Lead: Nadia Mirabelli	• The final Scoping Assessment Outcome Report was posted in October 2023, recommending the development of an IRRP for GTA North (York Region).	• Engagement on the York Region IRRP will begin in Q2 2024.
Regional Planning – Windsor-Essex Regional electricity planning is underway this region. Engagement Lead: Andreea Nicoara Indigenous Relations Lead: Nadia Mirabelli		• Engagement will continue with respect to developing an IRRP for the region until Q4 2024.

## **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
Capacity Auction EnhancementsThe annual Capacity Auction is one ofthe procurement mechanisms included inthe IESO's Resource AdequacyFramework and serves as the short-termbalancing mechanism in the framework,securing the capacity required to meetOntario's short-term resource adequacyneeds.Engagement Lead: Trisha HicksonRelated Engagements:• Resource Adequacy• Demand Side Vision	<ul> <li>An engagement webinar was held in November 2023 to provide present participant performance analysis as well as a technical session to discuss the prioritization of suggested enhancements for future auctions.</li> <li>Two submissions were received following the webinar and have been posted to the engagement webpage along with the IESO's response to feedback</li> </ul>	• The next engagement is scheduled for March 21, 2024, to discuss prioritization of future enhancements and administrative updates to Market Manuals.
Demand-Side VisionThe IESO is continuing discussions with the Demand-Side community to explore the enhancement of Demand-Side Resources in the IESO-Administered Market and programs. The initiative addresses key issues and opportunities from the Demand-Side community, planning to prioritize improvements to Demand Response participation models. Engagement Lead: Trisha Hickson Related Engagements:•Enabling Resources Capacity Auction Enhancements	<ul> <li>A targeted stakeholder session to discuss next steps on improvements to Demand Response participation models took place in February 2024.</li> </ul>	<ul> <li>Public engagement sessions will be held as required to continue discussions on improvements to Demand Response participation and feedback from technical sessions will be shared.</li> </ul>

Active Engagement	Current Status	Next Steps
Transmitter Selection Framework The IESO is developing a Transmitter Selection Framework (TSF) to align with the Powering Ontario's Growth report's actions and plans, with a progress report due to the Minister by Summer 2024. <i>Engagement Lead:</i> Fatema Khatun <i>Community Engagement Leads:</i> Sonia Fazari and Andreea Nicoara	<ul> <li>First public focused engagement session was held on February 29, 2024. This session was open to all interested Stakeholders, First Nations, and Communities.</li> <li>The January 17 webinar for Indigenous communities and municipalities introduced the TSF.</li> <li>15 feedback submissions following the January 17 webinar were received and have been posted to the community engagement webpage. 14 of the 15 submissions included specific feedback for TSF.</li> <li>Second focused public engagement session is scheduled for March 27, 2024</li> </ul>	<ul> <li>Community engagement with Indigenous groups and municipalities will continue through Q1 and Q2.</li> <li>A Progress Report is due to the Ministry of Energy by Summer 2024.</li> </ul>
Distributed Energy Resources (DER)Market Vision and Design ProjectThe IESO is seeking feedback fromstakeholders on how to cost-effectivelyenhance the value DERs can provide toOntario's electricity system by expandingparticipation in the wholesale markets.Engagement Lead: Jason GrbavacRelated Engagements:DER Potential StudyDER RoadmapEnabling Resources ProgramHybrid Integration ProjectInnovation and Sector EvolutionWhite Paper Series	The work completed under the DER Market Vision and Design Project will be transitioned to the Enabling Resources Program engagement.	See the Enabling Resources Program engagement for further information.

<u>Resource Adequacy</u>

Active Engagement	Current Status	Next Steps
<b>Roadmap</b> 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. <i>Engagement Lead:</i> <b>Jason Grbavac</b> <i>Related Engagements:</i>	<ul> <li>A joint meeting with the Ontario Energy Board was held on November 27 on the DER Integration Framework for Energy Innovation where updates were provided on cross-cutting issues and the work of the two organizations as it relates to DERs, including on the Joint DER Incentives Study.</li> <li>The meeting also included a panel on the 2021 Grid Innovation Fund and Innovation Sandbox Projects.</li> </ul>	Engagement on this initiative will commence in Q2 2024.

#### **Enabling Resources Program**

The IESO is seeking feedback from stakeholders on the development of an integrated plan that will outline the sequencing, timing and scope of activities to be undertaken by the IESO to enable existing electricity resources to provide electricity system services in the renewed Ontario wholesale market that they cannot, or cannot fully, currently provide.

#### Engagement Lead: Jason Grbavac Related Engagements:

- <u>Capacity Auction</u>
- DER Roadmap
- Hybrid Integration Project
- <u>Innovation and Sector Evolution</u> <u>White Paper Series</u>
- <u>Resource Adequacy</u>

• Engagement on this initiative will commence in Q2 2024.

Active Engagement	Current Status	Next Steps
Hybrid Integration ProjectThe 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.Engagement Lead: Jason Grbavac Related Engagements:DER Market Vision & Design ProjectDER Potential StudyEnabling Resources ProgramInnovation and Sector Evolution White Paper Series	The work completed under the Hybrid Integration Project will be transitioned to the Enabling Resources Program engagement.	<ul> <li>A final engagement summary report will be posted to the engagement page in Q1 2024.</li> <li>See the Enabling Resources Program engagement for further information.</li> </ul>

#### Active Engagement

#### Long-Term RFPs

The IESO is engaging stakeholders and communities on the development of a series of Long-Term RFPs that will seek resources to address global needs. Engagements targeted to communities and the broader public are underway. Engagement Leads: Trisha Hickson Community Engagement Leads: Sonia Fazari and Sari Gerwitz

Related Engagements:

- **Resource Adequacy**
- Hybrid Integration Project
- Market Renewal Program (MRP) • **Implementation**

#### **Current Status**

#### **Stakeholder Engagement** Update:

- Response to feedback • following the February 1 stakeholder engagement session is now posted, along with feedback received following the February 9 joint webinar with provincial ministries.
- A second webinar with • provincial ministries was held on February 22 and feedback received following this session will be posted for awareness in March.

#### **Community Engagement** Update:

- Two webinars were held for Indigenous communities and municipalities:
  - January 15 overview 0 of electricity needs, procuring electricity, the role of Indigenous communities and municipalities.
  - January 17 growing 0 electricity demand and the need for new infrastructure.
- 15 feedback submissions following the webinars were received and have been posted to the community engagement webpage.

#### **Next Steps**

- The next stakeholder • engagement webinar will be held in April.
- Feedback from Indigenous • communities and municipalities on the items presented during the January webinars was due by February 7, but will be accepted at any time.
- A response to feedback received following the January community webinars will be posted to the community engagement webpage.
- Community engagement • will continue with a closed webinar for municipalities on March 26.

Active Engagement	Current Status	Next Steps
Resource AdequacyThe IESO is engaging stakeholders tofurther develop a long-term competitivestrategy to meet Ontario's resourceadequacy needs reliably and cost-effectively while recognizing the uniqueneeds of different resources.Engagement Lead: Jason GrbavacRelated Engagements:DER Market Vision & Design ProjectDER Potential StudyDER RoadmapEnabling Resources ProgramLong-Term RFP	<ul> <li>A <u>Resource Adequacy Update</u> was provided in June where the IESO announced the results of a recent procurement for long-term supply. A total of 882 MW was secured for the province's planned storage fleet, while complementary processes such as the growing Capacity Auction are securing resources to respond to upcoming system needs.</li> </ul>	Several Resource     Adequacy initiatives such     as the Procurements and     Capacity Auction     Enhancements have     branched off into their     own respective     engagement streams     (see related     engagements).
Small Hydro Program The IESO is engaging with the Small Hydro Community on the development and implementation of a Small Hydro Program (SHP) to provide new contracts for existing hydroelectric facilities with installed capacities of 10MW and below. The program aims to deliver value for ratepayers while providing a reasonable revenue stream for facilities to continue operating. <i>Engagement Lead:</i> Trisha Hickson <i>Related Engagements:</i> • <u>Resource Adequacy</u>	<ul> <li>An engagement webinar was held in November 2023 to prepare the hydro community for the launch of the Small Hydro Program.</li> <li>An update was posted to the engagement webpage in December 2023 sharing that the Small Hydro Program had been launched.</li> </ul>	<ul> <li>This engagement has now concluded.</li> <li>A final engagement summary is available on the engagement website.</li> </ul>

## 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
Improving Accessibility of Operating Reserve The IESO is seeking feedback on an issue related to the Operating Reserve (OR), whereby the amount of OR scheduled is not fully accessible. Engagement Lead: Jason Grbavac	<ul> <li>At the June 2022 Technical Panel meeting, Panel members voted unanimously to recommend the proposed market rule amendments to the IESO Board.</li> <li>ORA changes (CT 206, 208 and 210) went live on May 1, 2023, in alignment with the Replacement of the Settlement System (RSS) go-live.</li> </ul>	<ul> <li>Stakeholders will be informed when the next implementation date is confirmed.</li> <li>This engagement has now concluded.</li> <li>A final engagement summary report will be posted to the engagement webpage in Q1 2024.</li> </ul>
Market Renewal Program (MRP)ImplementationThe Implementation phase of theMarket Renewal Program will beginby codifying the design into theMarket Rules and Market Manuals,and then proceed onto creatingtools, testing, training and readinessfor bringing the renewed market tolife.Engagement Lead: Cynthia SidalakRelated Engagements:• Resource Adequacy• Enabling Resources• DER Market Vision & DesignProject	<ul> <li>Connectivity Testing is continuing and will end on May 24, 2024. All Sandbox applications are available for Market Participants to conduct Connectivity Testing.</li> <li>The IESO provided responses to feedback and questions received from participants on Market Power Mitigation changes made to the Market Rules and Market Manuals presented during the December 15, 2023, webinar.</li> </ul>	<ul> <li>On March 13, 2024, The IESO will be publishing responses to feedback and questions received from participants on the Market &amp; System Operations batch draft market rule and market manual amendments that were published on July 14, 2023, along with updated market rule amendments and market manuals.</li> </ul>

Hybrid Integration

Active Engagement	Current Status	Next Steps
Transmission Rights Market Enhancement and Platform Refresh The IESO is proposing enhancements to the Transmission Rights (TR) market. The IESO completed a Transmission Rights Market Review in June 2021 that identified certain enhancements, or high-value opportunities, that will improve the efficiency, value and function of the TR market today and in the future. Engagement Lead: Trisha Hickson	The Technical Panel voted to recommend for Board approval on February 13.	This concludes engagement on this item. A final engagement summary will be posted in Q2 2024.
IESO Market Rule Amendments, Chapter 3, Confidentiality, Dispute Resolution and Enforcement The Market Assessment and Compliance Division (MACD) of the IESO is proposing amendments to Chapter 3 of the Market Rules. The purpose of these proposed changes is to modernize and clarify rules related to some of MACD's enforcement processes, including confidentiality and how it handles disputes under the IESO Dispute Resolution Process. Engagement Lead: Trisha Hickson	<ul> <li>A webinar was held in February 2024 to discuss the proposed market rule amendments and feedback received from the November session.</li> </ul>	<ul> <li>Feedback following the February 6 engagement webinar is available on the engagement webpage.</li> <li>Next steps for this engagement will be communicated in April.</li> </ul>

### 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
Expanding Third Party Access to the Smart Metering Data The Smart Metering Entity (SME) has been directed by the Ontario Energy Board to undertake an assessment to expand third-party access to smart meter data. The assessment will evaluate the opportunity to include additional organizations beyond the Canadian Government entities and may address other opportunities for data access expansion. Engagement Lead: Fatema Khatun	<ul> <li>Targeted sessions were held on November 27, 28 and 30, 2023 with stakeholders to continue conversations to gain insight and gather feedback on expanding third party access.</li> <li>Feedback received during the targeted engagement sessions is being analyzed.</li> </ul>	<ul> <li>The final report will be submitted to the Ontario Energy Board by April 30, 2024.</li> </ul>
Future Clean Electricity FundProceeds from the sale of IESO-ownedClean Energy Credits on the Ontario'sClean Energy Credit Registry will bedirected to Ontario's Future CleanElectricity Fund. The IESO has beentasked by the Ministry with developinginsights and recommendations for aFuture Clean Electricity Fund (FCEF).Engagement Leads: Fatema KhatunCommunity Engagement Leads: SoniaFazari and Andreea NicoaraRelated Engagements:• Clean Energy Credits	<ul> <li>At the First Nations Energy Symposium in November 2023, the IESO shared information about the FCEF with communities that expressed an interest in learning more.</li> <li>Outreach meetings were held in October and November with municipalities to understand insights and recommendations to develop the Fund.</li> </ul>	<ul> <li>The IESO recommendations report was submitted to the Ministry of Energy in December 2023.</li> <li>IESO will follow up pending Ministry of Energy's review and decisions.</li> </ul>

Active Engagement	Current Status	Next Steps
Hydrogen Interruptible Rate PilotThe Minister of Energy asked the IESO tosubmit a report by September 15, 2023,outlining a plan for the HydrogenInterruptible Rate Pilot tailoredspecifically for hydrogen producers anddevelopers in Ontario.Engagement Lead: Fatema KhatunRelated Engagements:• Interruptible Rate Pilot	The IESO held meetings in July and August with hydrogen developer organizations that expressed interest in the pilot and solicited feedback on pilot design features that would support participation and leverage the flexibility of electrolyzer-based hydrogen production facilities.	<ul> <li>The IESO provided an update that the submission of the plan for the hydrogen interruptible rate pilot to the Ministry of Energy has been postpone until there is further clarity on the federal government's Investment Tax Credit (ITC) related to clean hydrogen production</li> <li>An updated timeline will be provided once further details on the ITC are available.</li> </ul>
IESO York Region Non-Wires Alternatives Demonstration Project 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. Engagement Lead: Maia Chase Related Engagements: DER Market Vision & Design Project DER Potential Study DER Roadmap Innovation and Sector Evolution White Papers	An engagement session is being planned for Q2 2024.	The IESO is reviewing the next steps on this engagement.

Active Engagement	Current Status	Next Steps
Innovation and Sector EvolutionWhite PapersThe IESO intends to develop and releasea series of white papers to support thecreation of a shared, fact-basedunderstanding of emerging opportunitiesand trends.Engagement Lead: Jason GrbavacRelated Engagements:DER Potential StudyDER RoadmapIESO York Region Non-WiresAlternatives Demonstration Project	This engagement remains on hold.	The IESO is reviewing the next steps on this engagement.
Low-Carbon Hydrogen Strategy The Ministry of Energy has asked the IESO to investigate and propose program options to integrate low-carbon hydrogen technologies into Ontario's electricity grid. Engagement Lead: Jason Grbavac Related Engagements: • Pathways to Decarbonization	• The first group of successful applicants was <u>announced</u> in October 2023, and the second <u>announced</u> in November 2023.	<ul> <li>This engagement has now concluded.</li> <li>A final engagement summary report will be posted to the engagement webpage in Q1 2024.</li> </ul>

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

Group	Current Status	Next Steps
Strategic Advisory Committee (SAC) 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. Engagement Lead: Jason Grbavac		<ul> <li>The 2024 public SAC meeting schedule has been set with public meetings taking place on March 20, June 26, and October 2.</li> <li>Registration for the March 20 meeting for public observers is now available on the SAC webpage.</li> </ul>
<b>Technical Panel (TP)</b> The Technical Panel's mandate is to review amendments to the Market Rules for Ontario's electricity market and provide recommendations to the IESO Board of Directors. <i>Engagement Lead:</i> <b>Trisha Hickson</b>	• The March 5 Technical Panel meeting was cancelled.	• The next Technical Panel meeting is scheduled for April 9, 2024.

#### Group

#### **Current Status**

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#### **Next Steps**

### <u>Transmission – Distribution</u> <u>Coordination Working Group</u>

The Transmission-Distribution Coordination Working Group (TDWG) works closely with LDCs and other stakeholders to inform the <u>DER Market Vision and Design</u> <u>Project</u>. This is a key focus area of IESO's Distributed Energy Resources (DER) integration activities and is what much of the near-term <u>DER</u> <u>Roadmap</u> efforts build towards. The TDWG will provide a forum for indepth engagement on Transmission - Distribution coordination. *Engagement Lead:* **Fatema Khatun** *Related Engagements:* 

- DER Market Vision & Design
   Project
- DER Roadmap
- <u>IESO York Region Non-Wires</u> <u>Alternatives Demonstration</u> <u>Project</u>
- Innovation and Sector Evolution
   White Paper Series

- There was 1 submission of feedback received from the February 16 session and it has been posted to the engagement webpage.
- Responses to feedback will also be posted.
- The next TDWG meeting is scheduled for March 28, 2024.