IESO Engagement Update December 19, 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 up-to-date information, visit the individual engagement links or the Engagement Initiatives web page



Forecasting and Planning

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

Active Engagements

Current Status

Next Steps

Bulk Planning – Northern Ontario Bulk Study

This engagement will seek input from stakeholders and communities on the Northern Ontario Bulk Study initiative.

Engagement Lead: Andreea

Nicoara

Community Engagement Leads:

Nadia Mirabelli

- Engagement continues with interested members of the sector on the development of a Northern Ontario Bulk Study.
- Feedback from these public sessions, as well as input gathered during direct one-onone meetings with participants, will be posted on the engagement webpage.
- Engagement on this active bulk plan continues with a session to be scheduled during the IESO's Q1 2025 Engagement Days.

Bulk Planning – South and Central Ontario Bulk Study

This engagement will seek input from stakeholders and communities on the South and Central Ontario Bulk Study initiative.

Engagement Lead: Andreea Nicoara Community Engagement Leads: Keir

- **Johnston**
- Engagement continues with interested members of the sector on the development of a South and Central Bulk Study.
- Feedback from these public sessions, as well as input gathered during direct one-onone meetings with participants,
- Engagement on this active bulk plan continues with a session to be scheduled during the IESO's Q1 2025 Engagement Days.



will be posted on the engagement webpage.

<u>Bulk Planning – Eastern Ontario</u> <u>Bulk Study</u>

This engagement will seek input from stakeholders and communities on the Eastern Ontario Bulk Study initiative. Engagement Lead: Andreea Nicoara Community Engagement Leads: Keir Johnston

- Engagement continues with interested members of the sector on the development of an Eastern Ontario Bulk Study.
- Feedback from these public sessions, as well as input gathered during direct one-onone meetings with participants, will be posted on the engagement webpage.
- Engagement on this active bulk plan will continue in 2025.

<u>Regional Planning – Burlington</u> <u>to Nanticoke</u>

Regional electricity planning is underway in this region.

Engagement Lead: Jessica Singh Indigenous Relations Lead: Nadia Mirabelli/Keir Johnston

- This engagement is complete.
 The IESO response to feedback and final IRRP report was posted on November 28 and shared via email with participants subscribed to receive updates.
- Engagement on the Hamilton Addendum will take place in 2025.

<u>Regional Planning – Ottawa Area</u> <u>Sub-Region</u>

Regional electricity planning is underway in this region.

Engagement Lead: Jessica Singh Indigenous Relations Lead: Nadia Mirabelli

- A webinar was held on
 December 12 to share the
 analysis of Ottawa's electricity
 needs and seek feedback on the
 potential wire options. The IESO
 also shared details regarding a
 local achievable potential study.
- The recording is available on the engagement webpage for all interested parties to view.
- Feedback will be accepted until January 2, 2025.
- Engagement will continue with respect to developing an IRRP for the region until Q1 2025.

Regional Planning – Kitchener/Waterloo/Cambridge/ Guelph (KWCG)

Regional electricity planning is underway in this region.

Engagement Lead: Brooke Crewson

Indigenous Relations Lead: Keir Johnston

- December 12 to provide an overview of the regional electricity planning process and seek feedback on the draft electricity demand forecast scenarios and the proposed engagement plan.
- The recording is available for all interested parties to view.

- Feedback will be accepted until January 2, 2025.
- Engagement will continue with respect to developing an IRRP for this region until Q1 2026.

Regional Planning - Toronto

Regional electricity planning is underway in this region.

Engagement Lead: Andreea Nicoara and Samantha Polito

Indigenous Relations Lead: Nadia

Mirabelli/Keir Johnston

- A webinar was held on
 December 5 to share the draft
 regional electricity needs that
 have been identified based on
 the forecast scenarios and to
 seek feedback.
- The recording is available for all interested parties to view.
- Feedback will be accepted until January 3, 2025.
- Engagement on the Toronto area IRRP will continue until 2025.

<u>Regional Planning – GTA North</u> (York Region)

Regional electricity planning is underway in this region.

Engagement Lead: Andreea Nicoara and Brooke Crewson

Indigenous Relations Lead: Nadia Mirabelli

- A webinar was held on November 26 to share the draft forecast scenario and to seek feedback.
- The recording is available for all interested parties to view.
- Feedback was accepted until December 17.
- Feedback will be shared on the engagement webpage and feedback will be posted.
- Engagement on this IRRP will continue through 2025.

Regional Planning - Windsor-Essex •

Regional electricity planning is underway this region.

Engagement Lead: Andreea Nicoara
Indigenous Relations Lead: Keir Johnst

- A webinar was held on November 26 to share the detailed option analysis and seek feedback on the draft recommendations to meet the growing electricity demand.
- Written feedback was accepted until December 17.
- Feedback will be posted and an IESO Response to Feedback will be shared.
- Engagement will continue with respect to developing an IRRP for the region until Q1 2025.

Resource Acquisition

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

Current Status

Next Steps

Capacity Auction Enhancements

The annual Capacity Auction is one of the procurement mechanisms included in the IESO's Resource Adequacy Framework and serves as the short-term balancing mechanism in the framework, securing the capacity required to meet Ontario's short-term resource adequacy needs.

Engagement Lead: **Trisha Hickson** Related Engagements:

- Resource Adequacy
- Demand Side Vision

- Feedback received following the November engagement is posted on the Capacity Auction engagement webpage.
- be scheduled for January to continue to prioritize future enhancements.

Demand-Side Vision

The 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

- The Demand-side vision work is in progress with sessions underway with targeted stakeholders.
- 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.

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. Engagement Lead: Fatema Khatun Community Engagement Leads: Nadia

- Mirabelli and Andreea Nicoara
- The final public focus session was held on July 25. The feedback deadline was August 9, and nine feedback submissions were received and posted along with the IESO response to feedback
- The next engagement session on the proposed transmitter-qualification criteria for the future Qualified Transmitter Registry (QTR) is scheduled for January 22, 2025.

Current Status

Next Steps

<u>Distributed Energy Resources (DER)</u> <u>Market Vision and Design Project</u>

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.

Engagement Lead: Jason Grbavac

Related Engagements:

- DER Potential Study
- DER Roadmap
- Enabling Resources Program
- Hybrid Integration Project
- <u>Innovation and Sector Evolution</u>
 <u>White Paper Series</u>
- Resource Adequacy

- 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>Distributed Energy Resources (DER)</u> <u>Roadmap</u>

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: Jason Grbavac Related Engagements:

- Joint Study of DER Incentives
- DER Market Vision & Design Project
- DER Potential Study
- Enabling Resources Program
- Hybrid Integration Project
- <u>IESO York Region Non-Wires</u>
 Alternatives Demonstration Project
- Resource Adequacy

- A joint meeting with the
 Ontario Energy Board was held
 on November 27,2023 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.
- The meeting also included a panel on the 2021 Grid Innovation Fund and Innovation Sandbox Projects.

 The IESO is reviewing potential next steps on this initiative.

Current Status

Next Steps

Enabling Resources Program

The revised Enabling Resources Program (ERP) is an integrated set of projects that will enable emerging resources to provide required system services and contribute to the safe and reliable operation of the bulk power system in Ontario. The first ERP project will incorporate electricity storage, and hybrid generation-storage pairings into the IESO-administered markets, tools, and processes.

to provide an update and next steps on the Enabling Resources Program (ERP) during the November Engagement Days

The IESO hosted a session

- ERP is comprised of two projects which will be engaged on separately to provide the right focus and technical discussions on design.
- The next ERP engagement session will focus on the Storage and Co-located Hybrid Integration project and will take place in Q1-2025 (likely February).
- Feedback from November 20, 2024, the session will be posted on the ERP Storage Project page.

Engagement Lead: Jason Grbavac Related Engagements:

 ERP - Storage and Hybrid Integration Project

Hybrid Integration Project

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.

Engagement Lead: Jason Grbavac

Related Engagements:

- DER Market Vision & Design Project
- DER Potential Study
- DER Roadmap
- Enabling Resources Program
- <u>Innovation and Sector Evolution</u>
 <u>White Paper Series</u>

- The work completed under the Hybrid Integration Project will be transitioned to the Enabling Resources Program engagement.
- See the Enabling
 Resources Program
 engagement for further
 information.

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 Andreea Nicoara

Related Engagements:

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

Current Status

Stakeholder Engagement Update:

- Feedback received following the November 12 engagement session is posted on the LT2 webpage.
- The next LT2 RFP stakeholder engagement webinar is scheduled for December 12.

Community Engagement Update:

- A webinar was held on July 30th, 2024, for Indigenous Communities and municipalities to share key updates and understand feedback. IESO Responses to Feedback was posted on November 14th, 2024.
- A webinar was scheduled on November 13th, 2024, for Indigenous Communities and municipalities to share key updates and understand feedback.

Next Steps

- Peedback from the
 December 12 session is
 due by January 10, 2025.
 Community
 Engagement Update:
- Written feedback was welcomed until December
 6, 2024, and feedback will be posted on the website when available.
- The IESO remains
 committed to engaging
 with Indigenous
 communities early in its
 procurement design and
 planning processes. These
 opportunities will include
 formal outreach, targeted
 webinars and individual
 meetings, as needed.

Medium-Term RFP

The IESO is engaging stakeholders on the development of a second Medium-Term RFP (MT2) aimed at re-committing resources with contracts expiring between 2026-2029 to secure Ontario's future energy needs.

Engagement Lead: Fatema Khatun Related Engagements:

Long-Term RFP
Resource Adequacy

- A second engagement session on Q&A to address outstanding technical questions related to MT2 RFP documents was held on November 7.
- Following the engagement session, four feedback submissions were received.
 IESO response to feedback was posted on December 12.
- Final MT2 RFP documents were posted to the Medium-Term 2 RFP webpage.

<u>Request for Information – Resource</u> <u>Adequacy Framework</u>

The IESO is requesting information from existing resource owners whose contracts expire within the next ten years, as well as developers interested in future projects.

Engagement Leads: Fatema Khatun Related Engagements:

Long-Term RFP

Resource Adequacy

Medium-Term RFP

- An information session was held during September engagement days to explain how the IESO will gather insights to help inform future energy supply procurements in Ontario.
- RFI closed on November 1.
- IESO is analyzing the RFI results. Summary of findings will be posted on engagement webpage in Q1 of 2025.

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 Engagements:

- DER Market Vision & Design Project
- DER Potential Study
- DER Roadmap
- Enabling Resources Program
- Long-Term RFP

- 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.
- Several Resource
 Adequacy initiatives such
 as the Procurements and
 Capacity Auction
 Enhancements have
 branched off into their
 own respective
 engagement streams
 (see related
 engagements).

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

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: Cynthia Sidalak Related Engagements:

- Resource Adequacy
- Enabling Resources
- DER Market Vision & Design Project
- Hybrid Integration

- Market Trials have concluded.
 A wrap-up meeting was scheduled for November 6, 2024, to provide Market Participants with an overview of lessons learned during Market Trials, any issues that were successfully corrected, and if there will be any open defects that will persist after Market Trials.
 - Two MRP stakeholder engagement meetings were held in November. The first one was on November 20, 2024, from 2:30-4:00 p.m. where the IESO provided an overview of End-to-End Testing. The second was on November 21, 2024, from 9:00-10:30 a.m. where the IESO provided an update on the MRP Readiness Plan for Market Renewal Launch.

The IESO has posted the End-to-End Testing Test Plan on the Market Participant Testing page.

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

- A webinar was held in February 2024 to discuss the proposed market rule amendments and feedback received from the November 2023 session.
- Feedback following the February 6 engagement webinar is available on the engagement webpage.
- MACD is continuing to undertake stakeholder engagement and outreach to seek further feedback.

<u>Updates to IESO Monitoring</u> Requirements Phasor Data

The IESO proposes to update Market Rule Appendices 4.15 and 4.16 to clarify requirements for generators and transmitters to install phasor technology infrastructure and provide phasor data to the IESO. The proposed changes are intended to align with requirements in other North American ISOs and RTOs. The IESO is seeking feedback from stakeholders on these proposed updates in Market Rule Appendices 4.15 and 4.16.

Engagement Lead: Maia Chase

Current Status

An engagement session was held on October 22, to inform participants of the latest revisions made to the Market Manual and the process for Market Participants to register their PMUs and establish a connection with the IESO for transmitting synchrophasor data.

Next Steps

 Feedback and the IESO response have been posted to the web site.

Current Status

Next Steps

Redlined Market Manuals

<u>Interchange Schedule Code,</u> <u>MrNH</u>

The IESO is hosting a session to inform stakeholders of an upcoming change to the interchange schedule code, MrNH (MISO Ramp/New York Hour-Ahead Market) which relates to managing intertie transactions between Ontario and the corresponding jurisdictions.

Engagement Lead: Maia Chase

- A session was held on May 22 that provided stakeholders with an understanding of the interchange schedule code MrNH, identified issues, modification to the code, and the implementation timeline.
- been posted on the engagement webpage.
- have been posted for comments by stakeholders.

Amendments to Market Manual Part 2.2 Exemption Application and Assessment

The IESO is hosting a session to inform stakeholders of proposed changes to the exemptions market manual. The proposed changes are focused on MRP readiness, and some additional proposed changes focused on improved structure and greater clarity. The IESO is seeking feedback on these proposed changes.

- An engagement session was held on September 17 to inform stakeholders of proposed changes to the exemptions market manual with the aim of bringing the exemptions manual into alignment with MRP and introducing a new process to all existing exemption holders to seek amendments.
- Stakeholder feedback along with the IESO response was posted on the web page

Engagement Lead: Maia Chase

Updates to Market Manual 1.4 Connection Assessment and Approval

The IESO hosted an information session to present the revisions to Market Manual 1.4 and the applicable forms. The Manual was revised to provide clarity to several provisions and reorganized to provide greater structure

Engagement Lead: Maia Chase

- An information session was held on October 23 to inform stakeholders on the revisions to Market Manual 1.4 and the applicable application forms.
- The revised documents and forms are posted on the Pending Changes page of the IESO website for comment.
- Comments received from stakeholders on the Pending Changes page will be reviewed and incorporated as necessary.
- The changes are expected to be in effect by the end of the year.

Sector Evolution

Engagements that look to the future to see how innovation, innovative 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

- 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.
- Feedback received during the targeted engagement sessions is being analyzed.
- Smart Metering Annual Cost and a Variance Account Report for 2023 was submitted to the Ontario Energy Board in April 2024.

 The final report will be submitted to the Ontario
 Energy Board at the end of 2024.

Future Clean Electricity Fund

Proceeds from the sale of IESO-owned Clean Energy Credits on the Ontario's Clean Energy Credit Registry will be directed to Ontario's Future Clean Electricity Fund. The IESO has been tasked by the Ministry with developing insights and recommendations for a Future Clean Electricity Fund (FCEF). Engagement Leads: Fatema Khatun Community Engagement Leads: Sonia

Fazari and Andreea Nicoara

Related Engagements:

• <u>Clean Energy Credits</u>

- Outreach meetings were held in October and November with municipalities to understand insights and recommendations to develop the Fund.
- The IESO recommendations report was submitted to the Ministry of Energy in December 2023.
- Next steps are pending Ministry of Energy's review and decisions.

Current Status

Next Steps

Hydrogen Interruptible Rate Pilot

The Minister of Energy asked the IESO to submit a report by September 15, 2023, outlining a plan for the Hydrogen Interruptible Rate Pilot tailored specifically for hydrogen producers and developers in Ontario.

Engagement Lead: Fatema Khatun Related Engagements:

<u>Interruptible Rate Pilot</u>

- 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.
- The IESO provided an update that the submission of the plan for the hydrogen interruptible rate pilot to the Ministry of Energy has been postponed until there is further clarity on the federal government's Investment Tax Credit (ITC) related to clean hydrogen production.
- An updated timeline will be provided once further details on the ITC are available.

<u>IESO York Region Non-Wires</u> <u>Alternatives Demonstration Project</u>

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
- <u>Innovation and Sector Evolution</u>
 White Papers

engagement session on July 23, 2024, and presented the final evaluation of the Project, including the recommendations for future programs.

• A close out summary has been posted.

Current Status

Next Steps

<u>Innovation and Sector Evolution</u> <u>White Papers</u>

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.

Engagement Lead: Jason Grbavac

Related Engagements:

- DER Potential Study
- DER Roadmap
- <u>IESO York Region Non-Wires</u> Alternatives 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 announced in October 2023, and the second announced in November 2023.
- This engagement has now concluded.
- A final engagement summary report will be posted to the engagement webpage in Q4 2024.

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

Group Current Status Next Steps

<u>Strategic Advisory Committee</u> (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.

 The final public SAC meeting was held in October. The work on the SAC Challenge Statement Chapters will be posted once final. Details and materials for the next SAC meeting will be posted in 2025.

Engagement Lead: Maia Chase

Technical Panel (TP)

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.

Engagement Lead: Trisha Hickson

- During October 15, the Technical Panel members discussed the implementation of the Market Power Mitigation Working Group.
- The next Technical Panel meeting will be scheduled in January 2025.

<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
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 indepth engagement on Transmission
- Distribution coordination.

Engagement Lead: Fatema Khatun Related Engagements:

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

- Feedback from November 25 session is due by December 23, 2024.
- The next TDWG meeting will be scheduled for Q1 2025.