

IESO Engagement Update – April 14, 2021

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 [Active Engagements](#) webpage.



New Engagements and Forward-Looking Schedule

The anticipated launch and timing for new engagements are presented below. This information will be shared in each update moving forward so that early input from stakeholders can help plan and prioritize IESO's engagements.

Enabling Resources

The IESO is seeking feedback 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 resources to provide electricity system services in the renewed Ontario wholesale market that they cannot, or cannot fully, currently provide.

Launched: April 1, 2021

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.

Launched: April 1, 2021

Gas Phase Out Study

The future of gas generation in Ontario has become a focus of discussion for a number of municipalities as they consider efforts to tackle climate change. The electricity system would undergo significant impacts if natural gas was taken out of the supply mix by 2030. Such an undertaking requires a comprehensive plan to find and invest in suitable replacement supply and reorient the system around the new supply mix. In response to these recent discussions, the IESO is launching this engagement to inform a study that will outline the challenges, costs and reliability issues that would need to be addressed should the phase out of natural gas be undertaken. The publication of the report with the conclusions of the study will be issued later this year.

Anticipated Start of Engagement: May, 2021

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.

Anticipated Start of Engagement: June, 2021

Industrial Energy Efficiency Program

As part of the 2021-2024 Conservation Demand Management Framework, the IESO plans to launch a new program for large industrial consumers. The IESO will seek input from stakeholders to inform program design and eligibility requirements.

Anticipated Start of Engagement: Q2, 2021

Forecasting and Planning

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

Active Engagement	Current Status	Next Steps
<p><u>Formalizing the Integrated Bulk System Planning Process</u></p> <p>The IESO is seeking feedback on the design of a formal, integrated bulk system planning process.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none">• Capacity Auction• Development of an IESO Competitive Transmission Procurement Process• Market Renewal Program (MRP) Detailed Design• Regional Planning Review Process• Resource Adequacy• Transmission Assets End-of-Life• Transmission Losses	<ul style="list-style-type: none">• On Feb 22, the IESO held a webinar to present an overview of the high-level design of proposed changes to bulk system planning and seek stakeholder feedback on the process• Stakeholders submitted feedback following the Feb 22 webinar which is now being reviewed by the IESO	<ul style="list-style-type: none">• Post response to written feedback• Second engagement on the final high-level design and process detail will take place in Q3/Q4 2021
<p><u>Regional Planning Review Process</u></p> <p>The IESO is seeking feedback to consider lessons learned and findings from the previous regional planning cycle and other regional planning development initiatives.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none">• Development of an IESO Competitive Transmission Procurement Process• Formalizing the Integrated Bulk System Planning Process• Transmission Assets End-of-Life	<ul style="list-style-type: none">• Five submissions were received following the Feb 22 webinar to review key recommendations in the Regional Planning Review Process Final Report• IESO is currently reviewing all feedback submissions and will provide a written response by the end of Apr 2021	<ul style="list-style-type: none">• To conclude this engagement, the IESO will post responses to stakeholder feedback received following the Feb 22 webinar and a final engagement summary report by the end of Apr• Stakeholders who have participated in this engagement will be notified when these documents are posted to the engagement webpage

Active Engagement	Current Status	Next Steps
<p><u>Regional Planning – East Lake Superior</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 • Regional Planning Review Process 	<ul style="list-style-type: none"> • In Apr 2021, the IESO posted the East Lake Superior Integrated Regional Resource Plan (IRRP) and issued a communication to stakeholders to conclude this engagement • The plan and other engagement materials can continue to be accessed through the Completed Engagements section of the IESO website 	<ul style="list-style-type: none"> • This engagement has concluded
<p><u>Regional Planning – KWCG</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 • Regional Planning Review Process 	<ul style="list-style-type: none"> • A final public webinar was held on Mar 18 to seek input on the draft recommendations for the Integrated Regional Resource Plan (IRRP) • In the final stages of drafting the IRRP for this region 	<ul style="list-style-type: none"> • The final IRRP will be posted along with responses to feedback received by the end of Apr
<p><u>Regional Planning – Northwest</u> Regional electricity planning will commence shortly 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 • Regional Planning Review Process 	<ul style="list-style-type: none"> • The Northwest Scoping Assessment Outcome Report was posted in Jan and outlines the needs and specific areas of the region that require more comprehensive regional planning through an IRRP 	<ul style="list-style-type: none"> • Engagement on the development of an Integrated Regional Resource Plan (IRRP) will commence in Q2 2021
<p><u>Regional Planning – Ottawa Area Sub-Region</u> Regional electricity planning is underway in this region. <i>Engagement Lead: Amanda Flude</i> <i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Formalizing the Integrated Bulk System Planning Process • Regional Planning Review Process 	<ul style="list-style-type: none"> • An Integrated Regional Resource Plan (IRRP) was completed in Feb 2020 for this sub-region • The plan recommended additional studies to address the identified needs that extend beyond the 20-year IRRP outlook • This study is underway 	<ul style="list-style-type: none"> • Communications and outreach is targeted for late Q2 2021 • Study completion is expected at the end of Q2 2021

Active Engagement	Current Status	Next Steps
<p><u>Regional Planning – Peel/Halton Region (GTA West)</u> Regional electricity planning is underway in this region. <i>Engagement Lead: Amanda Flude</i> <i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Formalizing the Integrated Bulk System Planning Process • Regional Planning Review Process 	<ul style="list-style-type: none"> • In the final stages of drafting the Integrated Regional Resource Plan (IRRP) for this region 	<ul style="list-style-type: none"> • A final webinar is being held on May 6 to seek input on the draft IRRP recommendations • IRRP is anticipated to be posted by the end of Q2 2021
<p><u>Regional Planning – Peterborough to Kingston</u> Regional electricity planning is underway in this region. <i>Engagement Lead: Amanda Flude</i> <i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Formalizing the Integrated Bulk System Planning Process • Regional Planning Review Process 	<ul style="list-style-type: none"> • A public webinar was held on Mar 25 to seek feedback on the draft engagement plan and the demand forecast for the region 	<ul style="list-style-type: none"> • The final engagement plan and response to written feedback will be posted by Apr 22
<p><u>Regional Planning – South Georgian Bay/Muskoka</u> Regional electricity planning is underway in this region. <i>Engagement Lead: Amanda Flude</i> <i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Formalizing the Integrated Bulk System Planning Process • Regional Planning Review Process 	<ul style="list-style-type: none"> • The final Scoping Assessment Report was published on Nov 30 and recommends the development of Integrated Regional Resource Plans (IRRPs) for two sub-regions - Barrie/Innisfil and Parry Sound/Muskoka 	<ul style="list-style-type: none"> • Engagement on the two sub-region IRRPs will commence in Q3 2021
<p><u>Regional Planning – Southern Huron-Perth (Greater Bruce Huron)</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 • Regional Planning Review Process 	<ul style="list-style-type: none"> • A second webinar is expected in Q2 2021 to provide an overview of the range of potential solutions to meet future electricity needs and seek input on the proposed recommendations for the Integrated Regional Resource Plan (IRRP) 	<ul style="list-style-type: none"> • The final IRRP is working towards completion for Q2 2021

Active Engagement	Current Status	Next Steps
<p>Regional Planning – Toronto Addendum Regional electricity planning <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 • Regional Planning Review Process 	<ul style="list-style-type: none"> • The IESO, along with Toronto Hydro and Hydro One, has commenced work on an Integrated Regional Resource Plan (IRRP) Addendum for the Toronto region • This work will study the timing of the recommendation to reinstate the Richview x Manby corridor – taking into consideration energy efficiency and other changing electricity needs in the region 	<ul style="list-style-type: none"> • Outreach will be planned with key stakeholders in the area • A communication will follow in Q2 2021 when details of the study are available
<p><u>Regional Planning – Windsor-Essex</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 • Regional Planning Review Process 	<ul style="list-style-type: none"> • A webinar was held on Nov 26 to provide an overview of a study in the Kingsville-Leamington area • The results of the study will form an Addendum to the Integrated Regional Resource Plan (IRRP) and will address electricity infrastructure needs that emerged in the area • The webinar also provided an overview of the West of London bulk system study and provided an opportunity for feedback on the potential solutions recommended on the bulk system in the area 	<ul style="list-style-type: none"> • Feedback following the Nov webinar has been posted on the engagement webpage along with the IESO's response to this feedback • A second public webinar will be held in Q2 2021 to provide an overview of, and seek input on, draft recommendations in conjunction with the West of London bulk system study

Active Engagement	Current Status	Next Steps
<p><u>Reliability Standards Review</u></p> <p>The Ontario energy market is emerging from a sustained period of surplus conditions, and is beginning to see a capacity need take shape. With supply conditions tightening, the IESO sees an opportunity to review/challenge the existing thinking and approach to adequacy assessments.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Capacity Auction • Formalizing the Integrated Bulk System Planning Process • Resource Adequacy 	<ul style="list-style-type: none"> • In Apr 2021, the IESO posted the Final Engagement Summary Report and issued a communication to stakeholders to conclude this engagement • The report and other engagement materials can continue to be accessed through the Completed Engagements section of the IESO website 	<ul style="list-style-type: none"> • This engagement has concluded
<p><u>Transmission Assets End-of-Life</u></p> <p>The IESO is seeking feedback on a draft process for collecting information on asset end-of-life, or expected service life from transmission asset owners.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Formalizing the Integrated Bulk System Planning Process • Regional Planning Review Process 	<ul style="list-style-type: none"> • Five stakeholder feedback submissions were received following the Feb 22 webinar to review key recommendations in the Regional Planning Review Process Final Report • IESO is currently reviewing all feedback submissions and will provide a written response by the end of Apr 2021 	<ul style="list-style-type: none"> • To conclude this engagement, the IESO will post responses to stakeholder feedback received following the Feb 22 webinar and a final engagement summary report by the end of Apr • Stakeholders who have participated in this engagement will be notified when these documents are posted to the engagement webpage

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

Transmission Losses

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.

Engagement Lead: **Dale Fitzgerald**

Related Active Engagements:

- [Formalizing the Integrated Bulk System Planning Process](#)

- The IESO has posted a document to the engagement webpage that summarizes stakeholder feedback received following the Sept 30 webinar and provides the IESO's response to feedback

- The IESO is currently developing draft transmission losses guideline document(s) that will be shared with stakeholders for review and feedback in advance of the next engagement webinar
 - The IESO expects to share these guideline documents by early Q2 2021, at which point, future engagement activities and timelines will be communicated to stakeholders
-

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>Capacity Auction</u></p> <p>The IESO is committed to working with stakeholders to explore and implement competitive mechanisms, such as auctions, to secure the products and services it requires to operate the grid.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Formalizing the Integrated Bulk System Planning Process • IESO York Region Non-Wires Alternatives Demonstration Project • Innovation and Sector Evolution White Papers • Market Renewal Program (MRP) Detailed Design • Resource Adequacy 	<ul style="list-style-type: none"> • As part of the Apr 22 Resource Adequacy webinar, the IESO will provide further details on administrative enhancements planned for the 2021 Capacity Auction, present a draft scope for a review of the hourly demand response baseline methodology and an update on upcoming discussion items regarding Capacity Auction enhancements for the May and June Resource Adequacy webinars • Draft, redlined market rules and manuals for the administrative enhancements for the 2021 Capacity Auction are posted on the Resource Adequacy engagement webpage for stakeholder review and feedback 	<ul style="list-style-type: none"> • Feedback on the Apr 22 Resource Adequacy webinar materials will be due by May 13 • At the May 26-28 engagement days, a Resource Adequacy engagement webinar will be held to begin discussion on transitioning to UCAP, and to present initial thoughts on establishing a minimum target capacity
<p><u>Design for Energy Storage Participation</u></p> <p>This engagement had the objective to develop the design for how storage will be able to participate and operate in IESO-Administered Markets (IAMs), in both an interim period, as well as on an enduring basis.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Capacity Auction • Distributed Energy Resources Survey • Innovation and Sector Evolution White Papers • Market Renewal Program (MRP) Detailed Design • Updates to Performance Requirements: Market Rule Appendices 4.2 and 4.3 	<ul style="list-style-type: none"> • In Apr 2021, the IESO posted the Final Engagement Summary Report and issued a communication to stakeholders to conclude this engagement • The report and other engagement materials can continue to be accessed through the Completed Engagements section of the IESO website 	<ul style="list-style-type: none"> • This engagement has concluded

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:</i> Dale Fitzgerald</p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Formalizing the Integrated Bulk System Planning Process • Regional Planning Review 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>Enabling Resources</u> *new</p> <p>The IESO is seeking feedback 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 resources to provide electricity system services in the renewed Ontario wholesale market that they cannot, or cannot fully, currently provide.</p> <p><i>Engagement Lead:</i> Colin Campbell</p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Capacity Auction • DER Roadmap (future) • Distributed Energy Resources Survey • Hybrid Integration Project • Innovation and Sector Evolution White Paper Series • Resource Adequacy 	<ul style="list-style-type: none"> • This new engagement launched on Apr 1 and the first meeting will be held on Apr 21 • The engagement plan and presentation for this meeting are posted on the engagement web page 	<ul style="list-style-type: none"> • Review feedback on the engagement plan

Active Engagement	Current Status	Next Steps
<p>Hybrid Integration Project *new 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> <i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Enabling Resources • DER Roadmap (future) • Innovation and Sector Evolution White Paper Series 	<ul style="list-style-type: none"> • This new engagement launched on Apr 1 and the first meeting will be held on Apr 21 • The engagement plan and presentation for this meeting are posted on the engagement web page 	<ul style="list-style-type: none"> • Review feedback on the engagement plan
<p>Resource Adequacy The IESO is seeking feedback about what tools are needed, in addition to capacity auctions, to competitively achieve long-term resource adequacy.</p> <p><i>Engagement Lead: Dale Fitzgerald</i> <i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Capacity Auction • Formalizing the Integrated Bulk System Planning Process 	<ul style="list-style-type: none"> • The Apr 22 Resource Adequacy webinar will include a brief discussion of the mid-term framework mechanism and what needs it will seek to satisfy • IESO will also provide further details on administrative enhancements planned for the 2021 Capacity Auction, present a draft scope for a review of the hourly demand response baseline methodology and an update on upcoming discussion items regarding Capacity Auction enhancements for the May and June Resource Adequacy webinars 	<ul style="list-style-type: none"> • The IESO will review and provide a response to stakeholder feedback received on the Mar 22 Resource Adequacy webinar materials • Feedback on the Apr 22 webinar materials will be due by May 13 • At the May 26-28 engagement days, a Resource Adequacy engagement webinar will be held to begin discussion on transitioning to UCAP, and to present initial thoughts on establishing a minimum target capacity

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>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: Dale Fitzgerald</i></p> <p><i>Related Active Engagements:</i></p> <p>N/A</p>	<ul style="list-style-type: none">• A written update was posted in Aug 2020 to provide details on the ongoing internal work the IESO is undertaking on the two proposals discussed in this engagement – the settlement claw-back and Operating Reserve Activation (ORA) performance criteria proposal	<ul style="list-style-type: none">• The IESO will present draft market rule and manual amendments for the settlement claw-back proposal and an updated design for the Operating Reserve Activation (ORA) performance criteria proposal at a webinar expected to take place in Q2 2021
<p><u>Improving Awareness of System Operating Conditions</u></p> <p>The IESO informs stakeholders of system operating conditions through advisory notices and operating states. This engagement will review what the IESO communicates to stakeholders through these channels with the goal being to improve awareness of system operating conditions.</p> <p><i>Engagement Lead: Agatha Pyrka</i></p> <p><i>Related Active Engagements:</i></p> <p>N/A</p>	<ul style="list-style-type: none">• Second engagement session will be held on Apr 22• This session will provide an update on phase one as well as further details on phase two including proposed advisory notice framework revisions and the introduction of new operating states	<ul style="list-style-type: none">• Feedback on the Apr 22 webinar materials will be due by May 13

Active Engagement	Current Status	Next Steps
<p><u>Market Renewal Program (MRP) Detailed Design</u></p> <p>The Detailed Design of the Market Renewal Program has created the detailed documents for the renewed market, building upon the high-level design. The Market Renewal Program as a whole will improve the way electricity is priced and scheduled in order to meet Ontario’s energy needs reliably, transparently and efficiently.</p> <p><i>Engagement Lead: Karlyn Mibus</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Capacity Auction • Formalizing the Integrated Bulk System Planning Process • Market Renewal Program (MRP) Implementation • Transmission Rights Market Review 	<ul style="list-style-type: none"> • Final versions of the detailed design have been posted, and the discussion with stakeholders will carry over into the implementation phase • No stakeholder feedback was received on the Settlements Disagreements and Resettlements design update 	<ul style="list-style-type: none"> • A revised version of the Settlements Disagreements and Resettlements design update will be published in May 2021
<p><u>Market Renewal Program (MRP) Implementation</u></p> <p>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.</p> <p><i>Engagement Lead: Karlyn Mibus</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Market Renewal Program (MRP) Detailed Design 	<ul style="list-style-type: none"> • Technical Panel voted to post the Market Entry and Prudential Security batch of market rules and manuals in March • IESO shared a revised go-live date of Nov 30, 2023 and a schedule for when all batches of market rules and manuals will be available for external stakeholder review at the March engagement days 	<ul style="list-style-type: none"> • Technical Panel will vote to recommend the Market Entry and Prudential Security batch of market rules and manuals in April • One-on-one consultations to determine reference levels and reference quantities are continuing • The IESO will be discussing market participant training and testing at the April engagement days • Further to a commitment made during detailed design, the IESO will share a historical analysis on Narrow Constrained Areas in April

Active Engagement	Current Status	Next Steps
<p><u>Options to Address Uninsured Liability Risk</u></p> <p>The IESO is seeking feedback from stakeholders on options to address its uninsured liability risk. The IESO was unable to replace its errors and omissions insurance coverage and is proposing two options to address its uninsured risk.</p> <p><i>Engagement Lead: Agatha Pyrka</i></p> <p><i>Related Active Engagements:</i></p> <p>N/A</p>	<ul style="list-style-type: none"> • Technical Panel members voted unanimously to recommend the proposed market rule amendments for consideration to the IESO Board • Technical Panel members requested the IESO to periodically review the future availability of errors and omissions insurance • IESO has included this as a standing action item as part of the Technical Panel meeting minutes 	<ul style="list-style-type: none"> • Engagement participants will receive a communication on the outcome of the Board decision as well as next steps
<p><u>Transmission Rights Market Review</u></p> <p>The IESO is seeking feedback to determine what changes may be required to maximize the efficiency of the Transmission Rights (TR) market and to ensure that the TR market is aligned and compatible with the renewed energy market in the future.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Market Renewal Program (MRP) Detailed Design 	<ul style="list-style-type: none"> • The final webinar for this engagement was held on Mar 23 to present further information on the Transmission Rights Market Review Stage 3 opportunities and information regarding the conclusion of this engagement • Feedback is due by Apr 15 	<ul style="list-style-type: none"> • The IESO will post a response to stakeholder feedback received on the Mar 23 webinar materials and a final engagement summary report to conclude this engagement • Stakeholders who participated in this engagement will be notified when these documents are posted
<p><u>Updates to IESO Monitoring Requirements: Phasor Data</u></p> <p>The IESO is seeking feedback on proposed updates to Appendices 4.15/4.16 to enable generators and transmitters to install phasor technology infrastructure and provide phasor data to the IESO.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Active Engagements:</i></p> <p>N/A</p>	<ul style="list-style-type: none"> • IESO posted a response to stakeholder feedback from the Nov 19 webinar and shared a revised timeline for the engagement 	<ul style="list-style-type: none"> • A webinar will be scheduled for Q3 2021 to present updates to the draft Market Rule amendments and associated Market Manual revision • The draft Market Rules will be presented to the Technical Panel in Q3/4 2021

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>Distributed Energy Resources Survey</u></p> <p>The IESO is conducting a stakeholder engagement on behalf of the Ministry of Energy, Northern Development and Mines to better understand the role Distributed Energy Resources (DER) play in the Industrial Conservation Initiative (ICI) and the DER capacity available in Ontario.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none">• Innovation and Sector Evolution White Papers	<ul style="list-style-type: none">• A voluntary survey was held until Sept 28 with Industrial Conservation Initiative (ICI) participants, as well as energy services companies serving these customers• Confidential follow-up discussions were also held with stakeholders in one-on-one and small group settings in early Oct• The survey findings were provided to the Ministry in Q4 2020	<ul style="list-style-type: none">• Further engagement steps to be determined
<p><u>Energy Efficiency Opportunities for Grid-Connected First Nation Communities</u></p> <p>The IESO is seeking feedback from communities to help inform the design of future energy efficiency programs for First Nation communities in Ontario.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Active Engagements:</i></p> <p>N/A</p>	<ul style="list-style-type: none">• A second engagement meeting occurred on Nov 20 where the IESO discussed the feedback received, and presented the draft program proposal• Two feedback submissions were received and have been posted to the engagement webpage, along with the IESO's response to this feedback	<ul style="list-style-type: none">• The IESO will present the final program offering to communities, and explain how to apply and participate• The program is planned to launch in Summer 2021

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"> • Capacity Auction • Distributed Energy Resources Survey • IESO York Region Non-Wires Alternatives Demonstration Project 	<ul style="list-style-type: none"> • The IESO published Part I of <i>Exploring Expanded DER Participation in the IESO-Administered Markets</i> white paper in Oct 2019 • Part II of the <i>Exploring Expanded DER Participation in the IESO-Administered Markets</i> white paper was presented during the Nov Engagement Days 	<ul style="list-style-type: none"> • Stakeholder feedback is being reviewed and considered to help inform finalizing the conclusions and to help determine which of the options merit further consideration in future market design work, which should be considered for pilot opportunities, and which do not merit further consideration at this time
<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"> • Capacity Auction • Innovation and Sector Evolution White Papers 	<ul style="list-style-type: none"> • The first local capacity auction took place Nov 18 – 19 2020 • Participant contracts were issued in early Dec 2020 	<ul style="list-style-type: none"> • First commitment period starts May 1 2021 • Work is beginning to define Phase 2 of this engagement to determine changes in advance of the second local capacity auction

Update on Advisory/Working Groups and Committees

Group	Current Status	Next Steps
<p><u>Demand Response Working Group (DRWG)</u></p> <p>This is a forum where a dialogue takes place between stakeholders involved in demand response in Ontario and the IESO on current participation and future market development.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none">• Distributed Energy Resources Survey	<ul style="list-style-type: none">• In Mar 2021, the IESO sent a final communication regarding the conclusion of the Demand Response Working Group• The communication and other engagement materials can continue to be accessed through the Completed Engagements section of the IESO website	<ul style="list-style-type: none">• This Working Group has concluded
<p><u>Energy Storage Advisory Group (ESAG)</u></p> <p>The Energy Storage Advisory Group will perform an advisory role to support and assist the IESO in evolving policy, rules, processes and tools to better enable the integration of storage resources within the current structure of the IESO-administered market.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none">• Innovation and Sector Evolution White Papers• IESO York Region Non-Wires Alternatives Demonstration Project	<ul style="list-style-type: none">• In Apr 2021, the IESO posted the Final Engagement Summary Report for the “Design for Energy Storage Participation” engagement and sent a final communication regarding the conclusion of the Energy Storage Advisory Group• The communication and other engagement materials can continue to be accessed through the Completed Engagements section of the IESO website	<ul style="list-style-type: none">• This Advisory Group has concluded

Group	Current Status	Next Steps
<p><u>Market Development Advisory Group (MDAG)</u></p> <p>The Market Development Advisory Group (MDAG) will support IESO efforts to evolve the Ontario electricity market, beyond the Market Renewal Program, to cost-effectively ensure reliability in the near and longer terms.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Active Engagements:</i></p> <ul style="list-style-type: none"> • Transmission Rights Market Review 	<ul style="list-style-type: none"> • In Apr 2021, the IESO sent a final communication regarding the conclusion of the Market Development Advisory Group • The communication and other engagement materials can continue to be accessed through the Completed Engagements section of the IESO website 	<ul style="list-style-type: none"> • This Advisory Group has concluded
<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: Jordan Penic</i></p>	<ul style="list-style-type: none"> • SAC met on Feb 17 to discuss: <ul style="list-style-type: none"> ○ IESO's 2021 priorities ○ Enabling Resource Participation ○ Stakeholder Survey Results • Meeting minutes have been posted • The IESO Board of Directors has appointed five new members to the SAC to serve their first term: <ul style="list-style-type: none"> ○ Consumer representatives: Bala Gnanam, BOMA and Agnieszka Wloch, Minto Communities Canada ○ Distributors and Transmitters representative: Amanda Klein, Toronto Hydro ○ Ontario communities representatives: Ed Gilbert, Aamjiwnaang First Nation and Tonja Leach, Quest • Re-appointed members include: David Butters, Paul Norris, Mark Passi, Jim Hogan, Annette Verschuren, Malini Giridhar, Nicolas Bossé, Frank Kallonen, and Bruno Jesus • James Scongack has been appointed as the SAC Chair and Brandy Giannetta as the SAC Vice-Chair 	<ul style="list-style-type: none"> • A new call for nominations to fill a vacancy in the Energy Related Businesses and Services constituency closes Apr 21 • The next public SAC meeting is scheduled for Aug 4

Group	Current Status	Next Steps
<p><u>Technical Panel (TP)</u> 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. <i>Engagement Lead: Agatha Pyrka</i></p>	<ul style="list-style-type: none"> • On the Options to Address Uninsured Liability Risk item, members voted unanimously to recommend to the IESO Board • Technical Panel members requested the IESO to periodically review the future availability of errors and omissions insurance; IESO has included this as a standing action item as part of the Technical Panel meeting minutes • Three new members have been appointed by the IESO Board to the Technical Panel: <ul style="list-style-type: none"> ○ Market participant consumers: Indra Maharjan, Ontario Clean Water Agency and Wendy Payne, Lafarge Canada ○ Residential consumers: Forrest Pengra, Town of Parry Sound 	<ul style="list-style-type: none"> • At the Apr 20 meeting, TP members will vote to provisionally recommend the MRP Market Entry and Prudential Security Batch market rule amendments to the IESO Board • The IESO will also present the MRP schedule for remaining batches to Technical Panel members