

IESO Engagement Update

August 10, 2023



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 [Engagement Initiatives](#) webpage.

New Engagements and Forward-Looking Schedule

Central-West Bulk Planning

In light of potential economic development opportunities emerging in the region between Hamilton to Windsor and other southwestern Ontario regions, the IESO is launching a Central-West Bulk Planning engagement to actively involve stakeholders and communities in shaping the future of Ontario's transmission system. Those interested in participating in this engagement can register with IESO engagement at engagement@ieso.ca.

Launching: August 16, 2023

Regional Electricity Planning – GTA North (York Region)

Regional electricity planning is underway for the GTA North (York Region) region. The IESO is launching a new engagement initiative to ensure communities and stakeholders are aware of electricity planning activities and to provide opportunities for input. Those interested in participating in this engagement can register with IESO engagement at engagement@ieso.ca.

Launching: September 12, 2023

Hydrogen Interruptible Rate Pilot

The IESO is currently working on a specialized rate pilot for electrolyzer-based hydrogen production at load facilities. The Ministry of Energy has requested a report from the IESO by September 15, 2023. The IESO has conducted focused engagement sessions with Ontario's electrolyzer-based hydrogen production developers and is currently collating feedback to shape the proposed design features and pilot plan. A subsequent targeted session will be scheduled for the end of August or early September to consolidate the findings with interested participants. Interested parties are invited to contact the IESO at engagement@ieso.ca

Launched: July 2023

Forecasting and Planning

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

Active Engagement	Current Status	Next Steps
<p><u>Annual Acquisition Report</u> The Annual Acquisition Report (AAR) translates planning and operational information into a series of procurement and market activities using the Resource Adequacy Framework. <i>Engagement Lead: Trisha Hickson</i> <i>Related Engagements:</i></p> <ul style="list-style-type: none"> • Resource Adequacy 	<ul style="list-style-type: none"> • A webinar was held in February to provide an overview of key topic areas of the 2023 AAR and to seek input on the future participation of existing resources • Thirteen submissions were received following the webinar and have been posted to the engagement webpage • An IESO response to feedback document was posted on June 6 	<ul style="list-style-type: none"> • With the recent release of the government’s Powering Ontario’s Growth Report and policy actions, the IESO is reviewing the AAR. The IESO will make an announcement on timing for the AAR’s release in future updates
<p><u>Regional Planning – Burlington to Nanticoke</u> Regional electricity planning is underway in this region. <i>Engagement Lead: Rouselle Gratela</i></p>	<ul style="list-style-type: none"> • The final Burlington to Nanticoke Scoping Assessment Outcome Report was posted in December 2022 recommending the development of Integrated Regional Resource Plans (IRRP) for the Hamilton, Brant and Caledonia-Norfolk sub-regions 	<ul style="list-style-type: none"> • Engagement has begun on the development of the IRRPs and individual updates will be provided separately for each sub-region in future updates
<p><u>Regional Planning – Ottawa Area Sub-Region</u> Regional electricity planning is underway in this region. <i>Engagement Lead: Sari Gerwitz</i></p>	<ul style="list-style-type: none"> • The final Scoping Assessment Outcome Report was posted in March 2023, recommending the development of an Integrated Regional Resource Plan (IRRP) for the Ottawa Area sub-region • The report also concluded that no further coordinated regional planning is required for the Outer Ottawa East and West Sub-regions 	<ul style="list-style-type: none"> • Engagement on the Ottawa Area sub-region IRRP will begin in Q3 2023
<p><u>Regional Planning – Toronto</u> Regional electricity planning is underway in this region. <i>Engagement Lead: Sari Gerwitz</i></p>	<ul style="list-style-type: none"> • The final Scoping Assessment Outcome Report was posted in March 2023, recommending the development an Integrated Regional Resource Plan (IRRP) for the Toronto region 	<ul style="list-style-type: none"> • Engagement on the Toronto Region IRRP will begin in Q3 2023

Active Engagement	Current Status	Next Steps
<p><u>Regional Planning- GTA North (York Region)- *New</u></p> <p>Regional electricity planning is underway in this region. <i>Engagement Lead: Sari Gerwitz</i></p>	<ul style="list-style-type: none"> Engagement has begun on the third cycle of regional planning in the GTA North (York Region) planning region The development of the draft Scoping Assessment Outcomes Report is underway 	<ul style="list-style-type: none"> A webinar will be held on September 12 to seek input on the draft report Written feedback will be due September 26 The final Scoping Assessment Outcome Report will be posted on October 12
<p><u>Regional Planning – Windsor-Essex</u></p> <p>Regional electricity planning is underway in this region. <i>Engagement Lead: Rouselle Gratela</i></p>	<ul style="list-style-type: none"> The final Windsor-Essex Scoping Assessment Outcome Report was posted on May 17, 2023 with the IESO’s responses to feedback received. The report concludes that an Integrated Regional Resource Plan (IRRP) be undertaken for the Windsor-Essex region 	<ul style="list-style-type: none"> Engagement will continue on the development of an IRRP for the region in Q4 2024.
<p><u>Transmission Losses</u></p> <p>This engagement will review the IESO’s 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></p>	<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 the feedback document will be posted in Q3 2023 Changes will be made to the guideline document and the IESO will post the final version upon closing the engagement
<p><u>Central West Bulk Planning *New</u></p> <p>This engagement will seek input from stakeholders and communities on the Central-West Bulk Planning initiative. <i>Engagement Lead: Fatema Khatun</i></p>	<ul style="list-style-type: none"> A public webinar will be held on August 16 to provide participants with information about the Central-West Bulk Planning study, including scope, objective and timeline. 	<ul style="list-style-type: none"> The IESO will seek feedback on the study and communicate recommendations in Q1 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
<p><u>Capacity Auction Enhancements</u> 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. <i>Engagement Lead: Trisha Hickson</i> <i>Related Engagements:</i></p> <ul style="list-style-type: none"> • Resource Adequacy 	<ul style="list-style-type: none"> • At the June Technical Panel (TP) meeting, the Stream 1 Market Rule Amendments were voted to recommend to the IESO Board of Directors for approval. This concludes engagement on Stream 1 Capacity Auction Enhancements. 	<ul style="list-style-type: none"> • The IESO is seeking feedback on Stream 2 Capacity Auction Enhancements and will communicate next steps by early Q4 2023
<p><u>Development of an IESO Competitive Transmission Procurement Process</u> The IESO is seeking feedback to aid in the development of a competitive transmission procurement process. <i>Engagement Lead: Fatema Khatun</i></p>	<ul style="list-style-type: none"> • This engagement was put on hold in 2018. The IESO is determining the timing and next steps associated with this initiative 	
<p><u>Distributed Energy Resources (DER) 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. <i>Engagement Lead: Colin Campbell</i> <i>Related 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 January 25 to review the results of the enhanced model study and recommendations from the Distributed Energy Resources Market Vision and Design Project report • Two feedback submissions were received and have been posted to the engagement webpage 	<ul style="list-style-type: none"> • An IESO response to the feedback document will be posted • The IESO is aiming to finalize the Foundational and Enhanced Model proposals in Q3 2023

Active Engagement	Current Status	Next Steps
<p><u>Distributed Energy Resources (DER) Roadmap</u></p> <p>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.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> • DER Market Vision & Design Project • DER Potential Study • Enabling Resources Program • Hybrid Integration Project • IESO York Region Non-Wires Alternatives Demonstration Project • Resource Adequacy 	<ul style="list-style-type: none"> • A joint meeting with the Ontario Energy Board was held on May 26 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 • Four feedback submissions were received and have been posted to the engagement webpage • See also the separate update for the Transmission-Distribution Coordination Working Group 	<ul style="list-style-type: none"> • An IESO response to feedback document for the Regional Planning Process Review from the last webinar will be posted to the engagement page • The IESO and OEB will work to post a response to feedback document in advance of the next joint meeting, targeted for Q4 2023 • See also the separate update for the Transmission-Distribution Coordination Working Group
<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 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"> • At the February Technical Panel meeting, the enabling co-located hybrid model market rule amendments were voted to recommend to the IESO Board for approval • The co-located model became effective in the IESO Administered Markets in June 2023 	<ul style="list-style-type: none"> • An IESO response to feedback document following the January meeting will be posted

Active Engagement	Current Status	Next Steps
<p>Long-Term RFP The IESO is engaging stakeholders and communities 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. Two parallel engagements targeted to communities and the broader public are underway. <i>Engagement Leads: Colin Campbell (stakeholders), Sonia Fazari and Sari Gerwitz (communities)</i> <i>Related 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"> • A public engagement webinar was held on June 29 where the IESO addressed several open design issues for the LT1 RFP, including a presentation by the Ministry of Energy on the Duty to Consult provisions Indigenous Participation <ul style="list-style-type: none"> • Twenty-two feedback submissions were received following the June 29 webinar and have been posted to the engagement webpage • A Long-Term RFP Community Engagement Information Session was held on July 11 <ul style="list-style-type: none"> ○ Six feedback submissions were received following the July 11 Information Session and have been posted to the Community engagement webpage 	<ul style="list-style-type: none"> • IESO responses to feedback received for each of the June 29 engagement meeting and the July 11 community engagement session will be posted in September 2023 • The next public engagement webinar is taking place on August 17, where the IESO will provide an overview of the draft LT1 RFP and Contract and address a number of open design issues for the LT1 RFP

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 Engagements:

- [DER Market Vision & Design Project](#)
- [DER Potential Study](#)
- [DER Roadmap](#)
- [Enabling Resources Program](#)
- [Long-Term RFP](#)

- Several Resource Adequacy initiatives such as the Procurements and Capacity Auction Enhancements have branched off into their own respective engagement streams (see separate engagement updates)
- A [Resource Adequacy Update](#) 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

- Next steps will be communicated

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 data-bbox="203 373 574 478"><u>Transmission Rights Market Enhancement and Platform Refresh</u></p> <p data-bbox="203 491 673 911">The IESO is launching a new engagement to inform market participants of upcoming 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.</p> <p data-bbox="203 924 626 953"><i>Engagement Lead:</i> Trisha Hickson</p>	<ul data-bbox="708 373 1097 676" style="list-style-type: none"><li data-bbox="708 373 1097 676">• The IESO held an engagement on July 26 to discuss enhancements, which include aligning the TR auction platform with current IESO software and introducing multiple-bid laminations	<ul data-bbox="1138 373 1503 714" style="list-style-type: none"><li data-bbox="1138 373 1503 478">• Stakeholders are encouraged to provide feedback by August 10<li data-bbox="1138 491 1503 714">• The IESO will present feedback and next steps (if required) in the fall prior to IESO Technical Panel review of the proposed Market Rules
<p data-bbox="203 1010 550 1077"><u>Improving Accessibility of Operating Reserve</u></p> <p data-bbox="203 1089 656 1236">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 data-bbox="203 1249 631 1276"><i>Engagement Lead:</i> Colin Campbell</p>	<ul data-bbox="708 1010 1105 1514" style="list-style-type: none"><li data-bbox="708 1010 1105 1236">• At the June 2022 Technical Panel meeting, Panel members voted unanimously to recommend the proposed market rule amendments to the IESO Board<li data-bbox="708 1249 1105 1514">• On September 15, 2022 an update was sent to stakeholders indicating that the earliest the inaccessible operating reserve settlement charge can be implemented is Q1 2023	<ul data-bbox="1138 1010 1455 1194" style="list-style-type: none"><li data-bbox="1138 1010 1455 1194">• Stakeholders will be informed as soon as possible when the next implementation date is confirmed

Active Engagement	Current Status	Next Steps
<p data-bbox="201 222 639 289"><u>Market Renewal Program (MRP) Implementation</u></p> <p data-bbox="201 302 656 567">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 data-bbox="201 579 553 604"><i>Engagement Lead: Maria Go</i></p> <p data-bbox="201 617 472 642"><i>Related Engagements:</i></p> <ul data-bbox="201 655 672 772" style="list-style-type: none"> <li data-bbox="201 655 480 680">• Resource Adequacy <li data-bbox="201 684 480 709">• Enabling Resources <li data-bbox="201 714 672 739">• DER Market Vision & Design Project <li data-bbox="201 743 467 768">• Hybrid Integration 	<ul data-bbox="704 222 1094 726" style="list-style-type: none"> <li data-bbox="704 222 1094 726">• Stakeholders were provided with a walkthrough of the draft amendments to the market rules and market manuals in the Market & System Operations batch on July 27 and July 28. The deadline to submit feedback on the M&SO batch is November 8. Market participants are invited to participate in Q&A sessions to be held in late September 	<ul data-bbox="1135 222 1511 768" style="list-style-type: none"> <li data-bbox="1135 222 1511 411">• The next Implementation Working Group meeting is scheduled on September 11 to provide implementation and testing updates <li data-bbox="1135 424 1511 768">• The next stakeholder engagement session will be in September 2023 to update market participants on the draft changes to Market Manuals 5.6, 5.7, 5.8, and 5.10, as well as the IESO Charge Types and Equations document

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>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 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 to seek feedback on the next white paper in the series: Applications of Artificial Intelligence (AI), Machine Learning and other Advanced Technology in the Electricity Sector • Responses to the AI Whitepaper Survey were due by March 31 	<ul style="list-style-type: none"> • The IESO is reviewing next steps on this engagement for the latter part of 2023
<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 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"> • An engagement webinar was held on July 27 where the Electric Power Research Institute (EPRI) presented the draft findings of the DER Scenario & Modelling Study as it relates to transmission-distribution coordination in the context of the York Region Non-Wires Alternatives Demonstration • Stakeholders have until August 17 to submit feedback following the July 27 meeting 	<ul style="list-style-type: none"> • The IESO will review any submitted feedback and incorporated, as appropriate, into the final DER Scenarios and Modelling Study report • An Evaluation Report including lessons learned will be published in Q3 2023, with an accompanying engagement webinar likely to take place in September

Active Engagement	Current Status	Next Steps
<p><u>Hydrogen Interruptible Rate Pilot</u> <i>*New</i></p> <p>The Minister of Energy has 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.</p> <p><i>Engagement Lead: Fatema Khatun</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> • Interruptible Rate Pilot 	<ul style="list-style-type: none"> • IESO is holding meetings In July and early August with hydrogen developer organizations that express interest in the pilot • IESO to solicit feedback on pilot design features that would support participation and leverage the flexibility of electrolyzer-based hydrogen production facilities 	<ul style="list-style-type: none"> • The IESO will report back to stakeholders on the feedback received through the focused consultation sessions and summarize how it will inform the report back to the Ministry in September 2023
<p><u>Low-Carbon Hydrogen Strategy</u></p> <p>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.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> • Pathways to Decarbonization 	<ul style="list-style-type: none"> • A webinar was held on March 30 to present a summary of stakeholder feedback, the final Hydrogen Innovation Fund program documents and announce the program application period from April 3 to May 5, 2023 	<ul style="list-style-type: none"> • Submitted proposals are currently being reviewed and the applicants will be notified of the outcome in Q3 2023
<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 Engagements:</i></p> <ul style="list-style-type: none"> • 2022 Annual Acquisition Report • DER Potential Study • Low-Carbon Hydrogen Strategy • Resource Adequacy 	<ul style="list-style-type: none"> • The Ministry of Energy released Powering Ontario’s Growth in July. The report was developed based on the expertise of the IESO and the analysis provided in the Pathways to Decarbonization study and the Ministry’s subsequent consultation. The report was accompanied by a letter to the IESO outlining some of the immediate actions the Minister would like the IESO to take, which includes several report-backs and timelines. 	<ul style="list-style-type: none"> • The IESO will begin engagement as required on the actions identified in the Minister’s letter and aim to close this specific Pathways to Decarbonization engagement initiative

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

Group	Current Status	Next Steps
<p><u>Strategic 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: Colin Campbell</i></p>	<ul style="list-style-type: none"> • SAC held its second public meeting of 2023 on August 2 which included introductory remarks by Lesley Gallinger, IESO President and CEO and by Bill Sheffield, IESO Board Chair. Guest speaker Todd Smith, Minister of Energy provided a keynote address. • Following a review of several business updates, three Working Groups presented their updated Challenge Statements for discussion 	<ul style="list-style-type: none"> • SAC will continue meeting in smaller Working Groups to evolve and further refine the Challenge Statements • The next SAC meeting is scheduled for November 8, where in addition to other agenda items, the remaining two Working Groups will have the opportunity to present their updated Challenge Statements
<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 provide recommendations to the IESO Board of Directors.</p> <p><i>Engagement Lead: Trisha Hickson</i></p>	<ul style="list-style-type: none"> • The Technical Panel did not convene in August due a break in the monthly schedule 	<ul style="list-style-type: none"> • The next Technical Panel meeting is scheduled for September 12

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: Colin Campbell</i></p> <p><i>Related 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 TDWG meeting on June 16 included a presentation on LDC/Distribution System Operator functions under the Dual Participation and Total DSO models • Three feedback submissions were received following the meeting and have been posted to the engagement webpage 	<ul style="list-style-type: none"> • The IESO is reviewing feedback submissions • The next TDWG meeting will take place in Q3 2023