

IESO Engagement Update – December 10, 2020

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.



Forecasting and Planning

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

Active Engagement	Current Status	Next Steps
<p>Formalizing the Integrated Bulk System Planning Process</p> <p>The IESO is seeking feedback on the design of a formal, integrated bulk system planning process.</p> <p><i>Engagement Lead:</i> Colin Campbell</p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> • Capacity Auction • Development of an IESO Competitive Transmission Procurement Process • Market Renewal Program (MRP) Energy Detailed Design • Regional Planning Review Process • Reliability Standards Review • Resource Adequacy • Transmission Assets End-of-Life • Transmission Losses 	<ul style="list-style-type: none"> • In Feb 2019, a meeting was held with stakeholders to discuss and seek feedback on design considerations for the bulk system planning process • Since this meeting, the IESO has continued work on developing a “Straw Person” description of the process for stakeholder review while also considering alignment with other planning activities, the Market Renewal Program, and reporting initiatives • Information on the bulk system planning process was presented at the Nov Engagement Days session focused on IESO Planning activities and processes 	<ul style="list-style-type: none"> • The high-level design of the proposed process will be presented for stakeholder feedback at an Engagement Days meeting in Q1, 2021

Active Engagement	Current Status	Next Steps
<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 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"> • A “Straw Person” design for the regional planning process was released earlier this year to gather feedback • The design contained a number of recommendations to improve the process, which falls within the IESO and Ontario Energy Board (OEB) areas of responsibility • In July, a table indicating which recommendations each organization would take the lead on implementing was posted along with the IESO’s response to feedback on the design 	<ul style="list-style-type: none"> • The final report for this engagement is currently being prepared, based on feedback received from stakeholders, and is expected to be released in Jan 2021 • A webinar will be held following the posting of the report
<p><u>Regional Planning – East Lake Superior</u></p> <p>Regional electricity planning is underway in this region.</p> <p><i>Engagement Lead: Rouselle Gratela</i></p> <p><i>Related 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 17 to seek input on the range of potential solutions to be examined for the Integrated Regional Resource Plan (IRRP) • Feedback is due Dec 8 	<ul style="list-style-type: none"> • A response to feedback will be posted in Jan 2021 • The draft IRRP will be presented to communities and stakeholders in Q2 2021 for final comment
<p><u>Regional Planning – KWCG</u></p> <p>Regional electricity planning is underway in this region.</p> <p><i>Engagement Lead: Rouselle Gratela</i></p> <p><i>Related 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 IRRP for this region 	<ul style="list-style-type: none"> • A final public webinar will be scheduled in Q1 2021 to seek input on the draft IRRP recommendations
<p><u>Regional Planning – Northwest</u></p> <p>Regional electricity planning will commence shortly in this region.</p> <p><i>Engagement Lead: Susan Harrison</i></p> <p><i>Related 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 launched in early Nov • A webinar was held on Dec 8 to provide an overview of the process and seek input to inform the draft scoping assessment • Feedback is due Dec 24 	<ul style="list-style-type: none"> • A response to feedback will be posted along with the final scoping assessment report on Jan 13, 2021

Active Engagement	Current Status	Next Steps
<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 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 will be targeted for early 2021 • Study completion is expected in Q1 2021
<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 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 to seek feedback and input on potential solutions to be examined in the Peel-Halton sub-region • Common feedback themes included consideration of local developments, official plans and non-wires alternatives in the development of the plan, and aligning planning with other plans/projects underway • Response to feedback was posted in mid-Sept 	<ul style="list-style-type: none"> • A final webinar will be scheduled in Q1 2021 to seek input on the draft Integrated Regional Resource Plan (IRRP) recommendations
<p><u>Regional Planning – Peterborough to Kingston</u> Regional electricity planning is underway in this region. <i>Engagement Lead: Amanda Flude</i> <i>Related 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"> • Following a webinar, the final Scoping Assessment Report was published in May 2020 detailing the need for a comprehensive Integrated Regional Resource Plan (IRRP) for the region, and including the terms of reference to complete the plan • Feedback from stakeholders emphasized the importance of a reliable and uninterrupted service in the planning process to ensure local economic stability, as well as the importance of incorporating extreme weather events into demand forecasts 	<ul style="list-style-type: none"> • Outreach will be conducted with targeted market participants, municipalities and communities to inform a comprehensive engagement plan • The next public webinar is expected in late Q1 2021 to provide more details of demand forecasts and an overview of the range of potential solutions to meet future electricity needs

Active Engagement	Current Status	Next Steps
<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 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 Nov 30 and recommends the development of Integrated Regional Resource Plans (IRRP) 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 Q1 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 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 is expected in Q1 2020 to provide an overview of the range of potential solutions to meet future electricity needs and seek input on the proposed recommendations for the IRRP 	<ul style="list-style-type: none"> • The final IRRP is working towards completion for Q2 2021
<p><u>Regional Planning – Toronto Addendum</u> Regional electricity planning <i>Engagement Lead: Susan Harrison</i> <i>Related 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 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 Q1/Q2 2021 when details of the study are available

Active Engagement	Current Status	Next Steps
<p><u>Regional Planning – Windsor-Essex</u> Regional electricity planning is underway in this region. <i>Engagement Lead: Rouselle Gratela</i> <i>Related 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 Nov 26 to provide an overview of a study in the Kingsville-Leamington area • This study will form an Addendum to the 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 an opportunity for feedback on the potential solutions • Feedback is due Dec 17 	<ul style="list-style-type: none"> • Outreach will also be conducted and invited prior to the finalization of these to targeted stakeholders in the region • The studies are expected to take place in early 2021
<p><u>Reliability Standards Review</u> 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. <i>Engagement Lead: Colin Campbell</i> <i>Related 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"> • At the Aug 26 webinar, the IESO presented information on the internal review of planning assumptions related to resource adequacy, and discussed considerations within the areas of Forced Outages and Non-Firm Imports, where there may be opportunities to ensure reliability more cost-effectively • Following the webinar, the IESO received feedback from stakeholders on methodology and assumptions 	<ul style="list-style-type: none"> • The IESO will discuss the stakeholder feedback from the Aug webinar, and will present the proposed methodology changes for stakeholder feedback at the Dec Engagement Days
<p><u>Transmission Assets End-of-Life</u> 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. <i>Engagement Lead: Dale Fitzgerald</i> <i>Related 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 Regional Planning Review Process “Straw Person” Design includes recommendations to improve the Transmission Assets End-of-Life process within the regional planning process • Additional information on the status and next steps for the Regional Planning Review Process can be found on the engagement page linked in the related engagements list 	<ul style="list-style-type: none"> • This engagement is expected to conclude with the release of the Regional Planning Review Process Final Report in Jan 2021 • A webinar will be held to answer questions from stakeholders on the final report

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 Engagements:

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

- The Sept 30, 2020 engagement session reviewed IESO and Hydro One's practices regarding how transmission losses are considered in planning/operating the system, a comparison of these practices to other jurisdictions, and engaged stakeholders in a discussion on potential improvements
- Following the engagement session, submissions were received from Environmental Defence (ED) and the Society of United Professionals

- A response to stakeholder feedback is being developed by the IESO and Hydro One and is expected to be published by the end of 2020
 - A communication will be sent to stakeholders when the IESO's response to feedback is posted which will include scheduling information for the next engagement session
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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 Engagements:</i></p> <ul style="list-style-type: none"> • Design for Energy Storage Participation • Energy Efficiency Auction Pilot • Expanding Participation in Operating Reserve and Energy • 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) Energy Detailed Design • Reliability Standards Review • Resource Adequacy 	<ul style="list-style-type: none"> • The first Capacity Auction was run on Dec 2 • The post-auction report containing the results of the auction is expected to be released by Dec 10 • Information on dates and commitment to establish target setting announced at Nov Stakeholder Advisory Committee meeting and in the Nov 18 Resource Adequacy webinar materials 	<ul style="list-style-type: none"> • Future engagement plans will be identified to stakeholders shortly and will be aligned with the Resource Adequacy engagement
<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 Engagements:</i></p> <ul style="list-style-type: none"> • Capacity Auction • Distributed Energy Resources Survey • Expanding Participation in Operating Reserve and Energy • Innovation and Sector Evolution White Papers • Market Renewal Program (MRP) Energy Detailed Design • Updates to Performance Requirements: Market Rule Appendices 4.2 and 4.3 	<ul style="list-style-type: none"> • This engagement was completed in Sept, with Market Rules and Manuals amendments recommended for the interim period • A Long-Term Design Vision document has been posted detailing the long-term design proposals which will serve as the foundation for future storage design efforts • On Oct 20, the Technical Panel unanimously voted in favour to recommend the proposed Market Rule amendments to the IESO Board at the Dec meeting 	<ul style="list-style-type: none"> • Proposed Market Rule amendments to be considered by IESO Board at Dec meeting • The amended Market Rules/Manuals are anticipated to take effect in Q1 2021 • Interim Rules and Manual amendments for storage will need to be further updated in advance of the Market Renewal “go-live” date to ensure progress is maintained

Active Engagement

Current Status

Next Steps

Development of an IESO Competitive Transmission Procurement Process

The IESO is seeking feedback to aid in the development of a competitive transmission procurement process.

Engagement Lead: **Dale Fitzgerald**

Related Engagements:

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

- This engagement was put on hold and IESO is currently determining the next steps associated with this initiative

Expanding Participation in Operating Reserve and Energy

The IESO will explore market development options to enable further resource participation in the operating reserve and energy markets.

Engagement Lead: **Dale Fitzgerald**

Related Engagements:

- [Capacity Auction](#)
- [Design for Energy Storage Participation](#)
- [Improving Accessibility of Operating Reserve](#)
- [Innovation and Sector Evolution White Papers](#)
- [Market Development Advisory Group](#)
- [Market Renewal Program \(MRP\) Energy Detailed Design](#)

- Engagement and internal IESO efforts throughout 2020 focused on detailing requirements to participate in the energy and operating reserve (OR) markets, reviewing the participation models of EPOR-E resource types, and identifying areas of misalignment
- Research on participation requirements and misalignments is being finalized and it is expected that a memo will be published by end of the year

- Based on the feedback received, the engagement approach will be revised to build on EPOR-E and transition to a coordinated engagement approach that will support efforts to advance sector and market changes

Resource Adequacy

The IESO is seeking feedback about what tools are needed, in addition to capacity auctions, to competitively achieve long-term resource adequacy.

Engagement Lead: **Dale Fitzgerald**

Related Engagements:

- [Capacity Auction](#)
- [Formalizing the Integrated Bulk System Planning Process](#)
- [Reliability Standards Review](#)

- Following the Sept 28 webinar, the IESO received 15 feedback submissions; much of the feedback was focused on the next engagement phase and will be considered when the detailed phase begins in Q1 2021
- A webinar was held Nov 18 to review feedback and present a proposed structure for the next engagement phase

- Stakeholder feedback on the Nov 18 webinar materials is due by Dec 9 and will help inform further development of the next phase of the Resource Adequacy engagement

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
<u>Energy Payments for Economic Activation of Demand Response Resources</u>	<ul style="list-style-type: none">• At the May 21 webinar, the IESO communicated its determination that payments for economic DR activations for wholesale price-exposed customer are inefficient, and subsequently IESO expanded the scope of the engagement to consider shut-down cost recovery• At the Aug 26 webinar, options were reviewed and the IESO elaborated on why the stakeholder preferred cost-recovery mechanism for DR related shut down costs is not feasible to implement until post-MRP and that all options under consideration would require further evidence to demonstrate the materiality of the risk of under-recovering shut-down costs• IESO has proposed adjourning further discussion until post-MRP projects are under consideration and stakeholders are willing to provide quantitative evidence to demonstrate the materiality of the issue	<ul style="list-style-type: none">• The IESO continues to have individual discussions with stakeholders on the proposal to conclude this engagement and expects to communicate an update by the end of 2020
<u>Improving Accessibility of Operating Reserve</u>	<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 by the end of Q1 2021

Active Engagement

Current Status

Next Steps

Market Renewal Program (MRP) Energy Detailed Design

The Detailed Design of the Market Renewal Program will create 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.

Engagement Lead: Karlyn Mibus

Related Engagements:

- [Capacity Auction](#)
- [Design for Energy Storage Participation](#)
- [Expanding Participation in Operating Reserve and Energy](#)
- [Formalizing the Integrated Bulk System Planning Process](#)
- [Market Renewal Program \(MRP\) Energy Implementation](#)
- [Transmission Rights Market Review](#)

- Stakeholders have provided written feedback on all 13 of the draft detailed design documents
- The IESO continues to post responses to stakeholder feedback and is revising the detailed design documents, where needed
- An insert to the Market Power Mitigation detailed design document on the independent review process will be discussed with stakeholders in Dec

- The IESO will provide responses to stakeholder feedback on the Pre-Dispatch Calculation Engine detailed design document, along with responses to feedback on any of the previous documents that has changed as a result of reviewing the calculation engine documents, in Jan 2021
- Final versions of the detailed design documents will be published in early 2021

Market Renewal Program (MRP) Energy 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: Karlyn Mibus

Related Engagements:

- [Market Renewal Program \(MRP\) Energy Detailed Design](#)

- The first batch of market rules and manuals on Market Entry and Prudential Security have been revised based on stakeholder feedback, and published
- Six technology-specific engagements on market power mitigation reference levels and reference quantities were held in Oct and Nov to discuss the revised written guide, workbooks, and example workbooks

- Technical Panel education on the first batch of market rules and manuals will continue in Jan 2021
- Stakeholder feedback on the revised written guide and workbooks is due Dec 18
- The IESO will publish a final written guide and workbooks in Jan 2021

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 Engagements:</i></p> <p>N/A</p>	<ul style="list-style-type: none"> This engagement launched on Nov 26 with the first engagement meeting to be held on Dec 16 	<ul style="list-style-type: none"> Assess feedback from stakeholders on the two options
<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 Engagements:</i></p> <ul style="list-style-type: none"> Market Development Advisory Group Market Renewal Program (MRP) Energy Detailed Design 	<ul style="list-style-type: none"> A webinar was held on Oct 27 to provide updates on the progress of Stage 2 of the TR Market Review, including a summary of feedback gathered through focused discussions with interested stakeholders and work underway to review the methodology to determine the number of TRs to auction; there was no feedback received following this webinar Materials for the Dec 14 webinar are now posted to the engagement web page 	<ul style="list-style-type: none"> The next webinar will take place on Dec 14, during which the IESO will present a draft set of near-term changes to the TR market and begin discussion with stakeholders on longer-term improvements to the market as part of Stage 3 of the Review
<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 Engagements:</i></p> <p>N/A</p>	<ul style="list-style-type: none"> Engagement launched in June to seek feedback on proposed updates to IESO monitoring requirements to incorporate Phasor Measurement Unit technology (“phasor technology”) Feedback has been received on proposed updates, implementation timelines, and associated costs to install the new technology A second webinar was held in Nov to present the revised timelines, proposed draft Rules and proposed Market Manual updates 	<ul style="list-style-type: none"> Following the Nov 19 webinar, stakeholders had until Dec 10 to submit feedback on the revised implementation plan and proposed Market Rules and Draft Market Manual It is planned that the Draft Market Rules will be presented to the Technical Panel in Q1 2021

Active Engagement

Current Status

Next Steps

[Updates to Performance Requirements: Market Rule Appendices 4.2 and 4.3](#)

The IESO proposes to update Appendices 4.2 and 4.3 of the Market Rules to mitigate identified potential operational concerns related to the increased penetration of DERs, and to clarify the performance requirements for inverter-based resources.

Engagement Lead: **Colin Campbell**

Related Engagements:

- [Design for Energy Storage Participation](#)

- At the Aug 15 Technical Panel (TP) meeting, TP voted unanimously to recommend MR-00445, Performance Requirements, for consideration by the IESO Board
- The Board passed the Rules update and the amendment became effective on Sept 21, 2020

- No further steps
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Sector Evolution

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

Active Engagement	Current Status	Next Steps
<p><u>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 Engagements:</i></p> <ul style="list-style-type: none">• Demand Response Working Group• Design for Energy Storage Participation• Energy Efficiency Auction Pilot• 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	<ul style="list-style-type: none">• The survey findings will be provided to the Ministry in Q4 2020
<p><u>Energy Efficiency Auction Pilot</u></p> <p>The IESO is seeking feedback from stakeholders on the design of a pilot auction for procuring energy efficiency.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related 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">• Based on stakeholder feedback, the IESO amended the meter data requirements subject to resources having appropriate alternative Measurement & Verification arrangements• Also based on feedback, the auction date was changed to March 2021, for delivery starting in winter 2022 and summer 2023• Language in the detailed design document that excluded “technically dispatchable” measures from the EEAP as well as restrictions on participating in both the EEAP and Capacity Auction was updated to clarify/modify this language and remove these restrictions on measure and participant eligibility	<ul style="list-style-type: none">• The auction will take place in March 2021 for capacity delivery starting in winter 2022 and summer 2023

Active Engagement	Current Status	Next Steps
<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:</i> Colin Campbell</p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> • <u>Indigenous Energy Support Programs Review</u> 	<ul style="list-style-type: none"> • On Oct 9, the IESO launched a survey with First Nation Communities to obtain information on their awareness of, and participation in, current Save on Energy programs, as well as to better understand challenges to participating in energy efficiency programs • A meeting was held on Oct 22 to formally launch the engagement • Feedback was received through polls and discussions in the Oct 22 webinar, survey responses, and technical interviews with some community representatives • A second meeting occurred on Nov 20 where the IESO discussed the feedback received, and present the draft program proposal 	<ul style="list-style-type: none"> • Feedback on the draft program design is due Dec 11 • 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
<p><u>Indigenous Energy Support Programs Review</u></p> <p>The IESO is seeking input to review and improve the Energy Support Programs currently offered by the IESO for First Nation and Métis communities and organizations in Ontario.</p> <p><i>Engagement Lead:</i> Colin Campbell</p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> • <u>Energy Efficiency Opportunities for Grid-Connected First Nation Communities</u> 	<ul style="list-style-type: none"> • Following the July meeting where the IESO sought feedback from communities on the proposed redesign of the Indigenous Energy Support Programs (ESPs), in Sept, the IESO presented the final program designs and announced application intake for fall 2020 • An application Q&A session was hosted as part of the First Nations Energy Workshop on Oct 22 	<ul style="list-style-type: none"> • Application intake opened on Oct 19 with Successful Recipients to enter into Funding Agreements in Q1 2021

Active Engagement

Current Status

Next Steps

Innovation and Sector Evolution White Papers

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: Colin Campbell

Related Engagements:

- [Capacity Auction](#)
- [Design for Energy Storage Participation](#)
- [Distributed Energy Resources Survey](#)
- [Expanding Participation in Operating Reserve and Energy](#)
- [IESO York Region Non-Wires Alternatives Demonstration Project](#)

- The IESO published Part I of *Exploring Expanded DER Participation in the IESO-Administered Markets* white paper in Oct 2019
- In Jan 2020, a meeting was held to discuss feedback and proposed options and considerations to be explored in the second DER white paper, which will include a more detailed examination of the relevant participation models and explore potential options and considerations to address the barriers that were identified in the first white paper
- The IESO responded to feedback on the proposed options and considerations in order to further scope the second DER white paper
- Part II of the *Exploring Expanded DER Participation in the IESO-Administered Markets* white paper was presented during the Nov Engagement Days for stakeholder feedback

- Following the Nov presentation, stakeholders had until Dec 10 to submit feedback 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

IESO York Region Non-Wires Alternatives Demonstration Project

The IESO, with support from Natural Resources Canada, is undertaking a demonstration in York Region to explore market-based approaches to secure energy and capacity services from Distributed Energy Resources (DERs) for local needs.

Engagement Lead: Colin Campbell

Related Engagements:

- [Capacity Auction](#)
- [Energy Efficiency Auction Pilot](#)
- [Energy Storage Advisory Group \(ESAG\)](#)
- [Innovation and Sector Evolution White Papers](#)

- Following the July webinar where IESO and Alectra provided information on the demonstration logistics, eligibility, local capacity auction and local energy auction, stakeholders submitted feedback on the draft Demonstration Project Rules and timeline
- On Sept 28, the IESO posted the final Demonstration Project Rules, and opened initial registration (initial registration deadline was Oct 28)
- Final versions of the standard contracts for aggregators and direct participants were posted in Oct
- The first local capacity auction took place Nov 18 – 19

- Participant contracts are set to be issued in early Dec 2020
- First commitment period starts May 1, 2021

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 Engagements:</i></p> <ul style="list-style-type: none"> • Distributed Energy Resources Survey • Energy Payments for Economic Activation of DR Resources 	<ul style="list-style-type: none"> • At the Dec 3 DRWG meeting, the IESO reviewed and responded to stakeholder feedback received from the Oct 8 meeting, provided updates on the 2020 DRWG work plan initiatives and the HDR objective statement, and continued the broader discussion on DR in Ontario, including a stakeholder presentation by AEMA • Stakeholders were also informed of the IESO’s intent to wind down the DRWG with a final meeting likely in Q1 2021 	<ul style="list-style-type: none"> • Stakeholder feedback on the materials presented is due Dec 24 • Feedback from the Dec meeting will help to inform a prioritized list of DR market development activities that will inform future engagement activities
<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 Engagements:</i></p> <ul style="list-style-type: none"> • Energy Payments for Economic Activation of DR Resources • Innovation and Sector Evolution White Papers • IESO York Region Non-Wires Alternatives Demonstration Project 	<ul style="list-style-type: none"> • Please see the “Design for Energy Storage Participation” engagement update for a review of the current activities with the advisory group 	<ul style="list-style-type: none"> • Further information on the role of ESAG will be communicated shortly

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 Engagements:</i></p> <ul style="list-style-type: none"> • Expanding Participation in Operating Reserve and Energy • Transmission Rights Market Review 	<ul style="list-style-type: none"> • Market rule amendments were approved by the Technical Panel this summer to implement the revised Transmission Rights Clearing Account disbursement methodology • Since then, the market rules have been approved by the IESO Board of Directors, have been reviewed by the Ontario Energy Board and will come into effect for the May 2021 disbursement • For updates on the Transmission Rights Market Review and EPOR-E engagements, please see their individual entries above 	<ul style="list-style-type: none"> • Further information on the role of MDAG will be communicated shortly
<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>	<p>SAC last met on Nov 3 and discussed:</p> <ul style="list-style-type: none"> • work at the Energy Transformation Network of Ontario • an innovation update and next steps on the Roadmap and DER integration • early insights to the Annual Planning Outlook • next steps on the Resource Adequacy engagement • changes proposed to the engagement processes, including a new Stakeholder Planning and Priorities Advisory Group 	<ul style="list-style-type: none"> • Next public SAC meetings are scheduled for 2021 in February, August, November

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> <i>Related Engagements:</i> N/A</p>	<ul style="list-style-type: none"> • Education items for the Market Renewal Project continue to draw out questions and comments leading to good discussions providing various perspectives • Of particular note was the discussion on hydroelectric dispatch data parameters • Members suggested more work discussions will occur before they are finalized and questioned the possibility of a disagreement between the IESO and stakeholders falling on the Panel and/or triggering additional governance concerns 	<ul style="list-style-type: none"> • Jan 2021 TP meeting will include discussions and decision to ‘vote to post’, on the Congestion Management Settlement Credit (CMSC) Recovery for Dispatchable Loads items as well as an education item on the Options to Address Uninsured Liability Risk engagement • A new call for member nominations will occur in late 2020 and carry over into 2021