

IESO Engagement Update – January 19, 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.



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:</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 in 2020 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 Q1 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) • IESO’s response to feedback has been posted 	<ul style="list-style-type: none"> • Analysis of options and the draft IRRP recommendations will be presented to communities and stakeholders for feedback during a final public webinar in late Feb
<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 Integrated Regional Resource Plan (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

Active Engagement	Current Status	Next Steps
<p><u>Regional Planning – Northwest</u> Regional electricity planning will commence shortly in this region. <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"> • A webinar was held on Dec 8 to provide an overview of the process and seek input to inform the draft scoping assessment • The IESO’s response to feedback is posted along with the final Northwest Scoping Assessment Outcome Report which 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 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"> • In the final stages of drafting the Integrated Regional Resource Plan (IRRP) for this region • 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 IRRP
<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 the completion of the Scoping Assessment Outcome Report, outreach has been held with targeted communities and stakeholders to inform a draft engagement plan 	<ul style="list-style-type: none"> • The next public webinar is expected in late Q1 2021 to seek feedback on the draft engagement plan as well as input on the demand forecast for the region

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 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 later 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 Integrated Regional Resource Plan (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 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 Q1/Q2 2021 when details of the study are available

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<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 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 an opportunity for feedback on the potential solutions recommended on the bulk system in the area 	<ul style="list-style-type: none"> • Feedback is posted on the engagement webpage and the IESO’s response will be posted by Jan 28 • Next steps for outreach and engagement will continue in Q1 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 Dec 14 webinar, the IESO discussed the stakeholder feedback received following the Aug webinar, and presented the proposed non-firm import methodology • Feedback was due Jan 18 	<ul style="list-style-type: none"> • The engagement is expected to close following the review and response to stakeholder feedback • Non-firm imports, using the proposed methodology, will be incorporated into the next Annual Planning Outlook (APO) in 2021 • The full methodology will be included in the accompanying Resource Adequacy methodology document, and the non-firm import value will be reassessed in each APO

Active Engagement	Current Status	Next Steps
<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 Q1 2021 • A webinar will be held to answer questions from stakeholders on the final report
<p><u>Transmission Losses</u> 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. <i>Engagement Lead: Dale Fitzgerald</i> <i>Related Engagements:</i></p> <ul style="list-style-type: none"> • Formalizing the Integrated Bulk System Planning Process 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • A response to stakeholder feedback is being developed by the IESO and Hydro One and is expected to be published in Q1 2021 • As part of this response, the IESO will respond to ED's request to hire a third-party expert • 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

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 data-bbox="203 373 428 394"><u>Capacity Auction</u></p> <p data-bbox="203 415 743 596">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 data-bbox="203 617 634 638"><i>Engagement Lead: Dale Fitzgerald</i></p> <p data-bbox="203 659 472 680"><i>Related Engagements:</i></p> <ul data-bbox="203 688 743 1129" style="list-style-type: none"><li data-bbox="203 688 711 709">• Design for Energy Storage Participation<li data-bbox="203 720 607 741">• Energy Efficiency Auction Pilot<li data-bbox="203 751 678 804">• Expanding Participation in Operating Reserve and Energy<li data-bbox="203 814 716 867">• Formalizing the Integrated Bulk System Planning Process<li data-bbox="203 877 737 930">• IESO York Region Non-Wires Alternatives Demonstration Project<li data-bbox="203 940 704 993">• Innovation and Sector Evolution White Papers<li data-bbox="203 1003 716 1056">• Market Renewal Program (MRP) Energy Detailed Design<li data-bbox="203 1066 581 1087">• Reliability Standards Review<li data-bbox="203 1098 483 1119">• Resource Adequacy	<ul data-bbox="777 373 1198 1035" style="list-style-type: none"><li data-bbox="777 373 1198 510">• The first Capacity Auction was run on Dec 2 and the post auction report was released on Dec 10<li data-bbox="777 531 1198 751">• The results of the auction showed greater participation and competition with the lowest auction clearing prices than previous demand response auctions<li data-bbox="777 772 1198 1035">• Information on dates and the commitment to establish target setting were announced at the Nov Stakeholder Advisory Committee meeting and in the Nov 18 Resource Adequacy webinar materials	<ul data-bbox="1230 373 1523 720" style="list-style-type: none"><li data-bbox="1230 373 1523 720">• Enhancements to the 2021 Capacity Auctions will be discussed with stakeholders as part of the Jan 26 Resource Adequacy engagement webinar

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

Design for Energy Storage Participation

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.

Engagement Lead: **Colin Campbell**

Related Engagements:

- [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](#)

- 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
- Proposed Market Rule amendments were approved by IESO Board at Dec 9 meeting
- The amended Market Rules and Manuals came into effect Jan 18, 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

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
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Active Engagement	Current Status	Next Steps
<p><u>Expanding Participation in Operating Reserve and Energy</u></p> <p>The IESO will explore market development options to enable further resource participation in the operating reserve and energy markets.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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 in January 	<ul style="list-style-type: none"> • 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
<p><u>Resource Adequacy</u></p> <p>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></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> • Capacity Auction • Formalizing the Integrated Bulk System Planning Process • Reliability Standards Review 	<ul style="list-style-type: none"> • Following the Nov 18 webinar, the IESO received 14 feedback submissions • During the Jan 26 webinar, the IESO will review and respond to stakeholder feedback, confirm the Board-approved framework and present a high-level work plan for the 2021 and 2022 Capacity Auctions 	<ul style="list-style-type: none"> • This engagement is expected to hold webinars every month for the foreseeable future • Feedback on the Jan 26 materials is due Feb 17

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>Energy Payments for Economic Activation of Demand Response Resources</u></p> <p>The IESO is seeking feedback on the research and analysis required to determine whether there is a net benefit to electricity ratepayers if demand response resources are compensated with energy payments for economic activations.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none">• Demand Response Working Group• Energy Storage Advisory Group (ESAG)	<ul style="list-style-type: none">• In Dec 2020, 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 assessed through the Completed Engagements section of the IESO website	<ul style="list-style-type: none">• This engagement has concluded
<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 Engagements:</i></p> <ul style="list-style-type: none">• Expanding Participation in Operating Reserve and Energy	<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 was 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
- Stakeholders submitted feedback on the revised written guide and workbooks for Market Power Mitigation reference levels and quantities in Dec

- Technical Panel education on the first batch of market rules and manuals will continue in Mar 2021
- The IESO will publish a final written guide and workbooks in Jan 2021
- One-on-one reference levels and quantities consultations will begin in Mar 2021; this process will be discussed with stakeholders at the Feb engagement day meetings

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"> • The first engagement meeting was held on Dec 16 • Stakeholder feedback on the two options was due Jan 19 	<ul style="list-style-type: none"> • IESO to review feedback from stakeholders • Pending stakeholder feedback, proposed Market Rule amendments will go before the Technical Panel on Feb 16 for a vote to post for broader stakeholder comment.
<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"> • At the Dec 14 webinar, the IESO presented a draft set of near-term changes to the Transmission Rights market for feedback and began discussion of longer-term changes to the market to align with the Market Renewal Program • Feedback on the materials was due Jan 18 	<ul style="list-style-type: none"> • IESO to review feedback and conduct further internal assessments before finalizing the Stage 2 high-value opportunities and presenting a draft set of proposed changes for Stage 3 in a subsequent engagement session
<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

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 were 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 Mar 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 Mar 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"> • A second engagement meeting occurred on Nov 20 where the IESO discussed the feedback received, and presented the draft program proposal • Feedback was due on Dec 11 and is being taken into consideration as the program design is finalized 	<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
<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
<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"> • 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 	<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 for stakeholder feedback which was due by Dec 10 	<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 Engagements:</i></p> <ul style="list-style-type: none"> • Capacity Auction • Energy Efficiency Auction Pilot • Energy Storage Advisory Group (ESAG) • Innovation and Sector Evolution White Papers 	<ul style="list-style-type: none"> • 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 were issued in early Dec 2020 	<ul style="list-style-type: none"> • 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"> • One stakeholder submission was received following the Dec 3 DRWG meeting • IESO is reviewing stakeholder feedback and incorporating this into engagement plans for the next and final DRWG meeting 	<ul style="list-style-type: none"> • The next and final DRWG meeting will be scheduled by the end of Q1 2021 and will address feedback from stakeholders on the Hourly Demand Resource (HDR) objective statement and the Demand Response (DR) market development priorities list
<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 was communicated following the Nov Stakeholder Advisory Committee meeting

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 meeting is scheduled for Feb 17

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"> • Technical Panel met on Jan 19 • The Congestion Management Settlement Credit (CMSC) Recovery for Dispatchable Loads Market Rule amendment was voted in favour of posting for stakeholder comment • Options to Address Uninsured Liability Risk was introduced as an education item 	<ul style="list-style-type: none"> • At the Feb 16 meeting, the Congestion Management Settlement Credit (CMSC) Recovery for Dispatchable Loads Market Rule amendment will undergo a vote to recommend to the IESO Board • At the Feb 16 meeting, the Options to Address Uninsured Liability Risk Market Rule amendments will undergo a vote to post for broader stakeholder comment (subject to comments from the engagement)