

# Feedback Form

## Evolving IESO Planning Products (APO/AAR) – October 20, 2023

### Feedback Provided by:

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To promote transparency, feedback submitted will be posted on the [Annual Acquisition Report engagement page](#) unless otherwise requested by the sender.

Following the October 20, 2023, engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on items discussed. The webinar presentation and recording can be accessed from the [engagement web page](#).

**Please submit feedback to [engagement@ieso.ca](mailto:engagement@ieso.ca) by **December 4, 2023**.** If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

## Existing IESO Reports

Annual Planning Outlook and Annual Acquisition Report	Feedback
<p>What sections of the APO and AAR are most helpful and how do you use this information?</p>	<p>Overall, ESC finds both the APO and AAR extremely helpful in the Ontario context. The unique hybrid market design that mixes real-time energy market activities with long-term, government policy driven procurements and rate-regulation can suffer from lack of transparency and clarity due to the many different actions and activities within the electricity sector. The APO and AAR provide a regular, detailed look into fundamental power system status and needs as well as providing the IESO's outlook for future gaps and investment directions. In addition to providing the IESO's view of future system need and future procurement activities, the documents provide our members with important information to assess the opportunities under their assumptions and global energy outlook. The information released by the IESO can help identify opportunities and risks for energy storage proponents. The annual publication is incredibly important as it aligns with companies investment and decision making cycles. Further, the consistency of the APO publication and sections allows proponents to being absorb the information and make informed critics and decisions from the information provided.</p> <p>With respect to specific sections, ESC members believe all sections are helpful, with the primary value being drawn from resource need (i.e., the drivers for new resource investments), system reliability (i.e., where and how energy storage resources could be sited) and operability (i.e., how participation for energy storage may evolve in Ontario over time).</p> <p>The AAR has been less helpful as it is a new product and therefore it is less familiar to energy storage proponents. In general, ESC members focus on Planned Actions as the primary section of value given it outlines in detail future procurement opportunities for investment.</p>
<p>Where do you see redundancy or overlap in these existing products?</p>	<p>There is redundancy in the AAR on system need from the APO. While the AAR reflects changes in some inputs and assumptions from APO, generally the information is repetitive and not needed in the AAR.</p>

**Annual Planning Outlook and Annual Acquisition Report**

**Feedback**

How can the IESO enhance and evolve the APO and the AAR?

Combination of the APO and AAR into a single, annual information docket for proponents would be prudent given the evolution of the Ontario electricity sector. Regular updates on the IESO's outlook for the system, identification of system needs and the publication of all the supporting information is critical for investments in the sector. The APO would benefit greatly by continuing to expand the data published. For example, ESC recommends that the IESO begin publishing forecast demand on an hourly basis for select years (e.g., 2030, 2035, 2050) at a transmission station level (or small sub-regions). With more energy storage resources and greater operability challenges, this information is critical for siting, community engagement and unlocking investment funds. More broadly, the IESO should be publishing historic hourly loading information by transmission station to allow better understanding of system needs and evolution of the power system over time.

In addition, the APO and AAR should continue to use scenario analysis to identify needs and actions. One suggested change is to adjust the assumptions for continued operation to stop at the accounting/working life of the asset. While ESC understands and agrees that it is important to demonstrate the resource need if existing resources continued to operate, ESC believes it is important to recognize that beyond a working life/accounting life, continued operation will require capital injection, in some cases a significant amount, and that the assumption to continue to operate without any commitment is unreasonable from a planning perspective.

**Future Reporting**

Evolving Planning IESO Products	Feedback
<p>What frequency and/or time of year is information required to help you make informed and timely investment decisions with respect to existing or new assets?</p>	<p>ESC members require annual detailed updates to the information. Access to development and capital funding on an annual basis is unlocked based on an assessment of investment opportunities and risks. Any update beyond a year puts Ontario at a disadvantage to receiving an allocation of those funds and therefore risks future development to support Ontario system needs. The time of year does not appear to be important to ESC members as long as it is consistent. IESO should do a better job at informing stakeholders when the APO/AAR will be published so that proponents can be prepared to review and analyze the information and provide helpful feedback to the IESO. To that end, the IESO should avoid publishing around major holidays if possible.</p>
<p>What specific information is required to help you make decisions?</p>	<p>A full system outlook that helps define investment opportunities and risks for both new and existing resources is required. As mentioned, the current APO provides much of this information. Better details on how the IESO reaches their conclusions for annual capacity and energy needs would be helpful including assumptions of the operation and contribution from individual operating units in the market (e.g., effective capacity for summer and winter peak, retirement dates, etc.).</p>
<p>Do you prefer comprehensive planning reports or would tailored and succinct products released throughout the year better serve your needs? What is the value of each from your perspective?</p>	<p>A comprehensive planning report is preferred as all of the information, assumptions, inputs and methodology are published together. Separate products are difficult to amalgamate for ESC members, particularly those overseeing multiple jurisdictions in addition to Ontario.</p>

## General Comments/Feedback

ESC will be participating in the market data and planning information stakeholder engagement the IESO intends to launch in 2024. For ESC members, access to market information is critical to investment decision making and operating strategy. In particular, the market data on historic energy offers and energy bids is needed to understand the impact a new storage resource might have on market outcomes (i.e., prices). With information on historic supply stacks, energy storage resources can understand their influence and form a much more detailed operating strategy that can offer value to Ontario ratepayers.