

# 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

What sections of the APO and AAR are most helpful and how do you use this information?

All sections of the APO including all related tables and spreadsheets are helpful and should be continued in the combined report.

In particular the demand forecast section of APO is used both as a reference to assess the accuracy of our demand forecasts, and as an information source for potential drivers of demand.

Additionally, "Consideration of Previous Planned Actions" section of the AAR shows what actions were successful and which were not. This is a useful tool for stakeholders when considering what could be done differently in the future. This section should be included in the combined report.

AAR Planned Actions section showing detailed information on commitments, qualified applicants and targets for new-build resources is helpful when making future procurement decisions. This section could be expanded upon and used as a scenario in the combined report. Please see recommendations for "Meaningful Scenarios" below.

Where do you see redundancy or overlap in these existing products?

The AAR section that discusses Ontario's Reliability and Resiliency Needs is somewhat redundant to a similar section in the APO, however, Figure 3 and 4 on Pg 15 and 16 of the 2022 AAR shows the year in which the probability of risk is the highest with a plot of the months that are at highest risk for that year. This chart appears in both reports but is useful for outage planning purposes. This should be kept in the combined report.

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

## Meaningful Scenarios Required

External policies (i.e., resulting from consultations such as the current Pathways to Decarbonization and Clean Electricity Regulation), will also impact participation of existing resources as well as any participation from new resources. Therefore, the IESO needs to understand how all these new policies, regulations and programs could impact future participation from existing resources and have multiple scenario outlooks, and not only highlight an “all or nothing” scenario, as in the current and past APO’s. The future APO should include scenarios with transparent assumptions on the impact of potential Government Policy decisions, aging infrastructure, both from generation and transmission, the potential exit of some resources from the market and considerations for planned actions for enabling competition. As a minimum, scenarios incorporating the full extent of electrification trends should be part of the APO.

- 1) Information that should be shared include clean energy grid built-out, with realistic transition plans and timelines which are key to an affordable and reliable energy transition that reduces emissions. Understanding these scenarios in an important aspect of grid reliability, ratepayer cost and energy supply.
- 2) APO documents and scenarios need to provide sufficient signals for clean energy projects that require longer lead times. These high priority clean energy projects should be fast-tracked to address bureaucracy, duplication, overlap, under-resourcing, and excessive information requirements that lead to unnecessary delays. A well thought out needs criteria for all types of plants is required. Specific consideration should be given to hydroelectric plants that have long lead times but long running prescribed life, reliable and flexible benefits for a clean energy grid. Scenarios that take this into consideration will address the imminent energy needs that cannot be met by batteries and variable generation alone.
- 3) Some existing assets will likely exit the market unless they continue to receive compensation for new capital investments plus a reasonable return. OPG believes the deterioration of these assets will

**Annual Planning Outlook and Annual Acquisition Report**

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accelerate if they continue to run without sustaining capital expenditures. This could cause a larger than expected energy and/or capacity gap than anticipated. The APO should address this as one of the scenarios.

- 4) We are interested in how the IESO will apply the proposed Clean Electricity Regulations (CER) and the impact it will have on new supply needs, reliability and customer costs.
- 5) Scheduled charging network infrastructure and the associated costs should be detailed in the APO. This is a critical assumption that will impact supply need, operability assessments and total cost of decarbonization. What are the charging profiles used and does the scale up of charging networks in all sectors coincide with the Electric Vehicle deadline of 2035? These built-in assumptions would impact the APO and should be included as a scenario.

In summary, the best way to evolve and enhance the APO and AAR that best benefits Ontario would be to present a well thought out, integrated plan, that includes Transmission and grid build-out details that is more detailed than The Powering Ontario's Growth report.

**Future Reporting**

**Evolving Planning IESO Products**

**Feedback**

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?

One main release of APO in the first quarter should be adequate. Subsequent brief updates to address the impacts of changing/emerging demand drivers not considered in the main release would be helpful.

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What specific information is required to help you make decisions?	<p>Please see above response to question 1 and 3.</p> <p>Additionally, Transmission considerations and assumptions with approximate in service dates as shown in the 2022 APO are required to help make informed decisions on deliverability test issues for future procurements.</p> <p>In addition to the contents currently provided in the demand forecast section of APO, can IESO share the hourly demand profiles for individual end uses, e.g. space heating, water heating, EV charging, etc.?</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?	A comprehensive planning report is optimal, but an update on a semi-annual basis would be beneficial.

## General Comments/Feedback

OPG supports the IESO's endeavors in communicating information in an open and transparent manner and seeking comments from the sector to improve next year's combined APO and AAR. It was a good session that provided market participants with valuable information.

In response to the IESO's request for feedback, OPG has compiled the following additional comments and questions related to IESO's evolution of the APO and AAR:

### Additional Comments

Shutting down a plant that still has useful life removes a cost-effective source of capacity from the system that may need only limited sustaining capital and fixed costs to operate. Continued operation of gas plants would be a cost-effective option for the ratepayer, until new non-emitting generation, with similar characteristics can be placed in-service. Retiring the plants early will result in stranded natural gas generation assets, in addition to numerous pipelines and other infrastructure that may no longer be required, but will continue to be paid for by Ontario's energy customers. These are important points to consider for all scenarios.

Expansion of existing assets needs to be maximized as much as possible. This is the next most cost effective alternative other than conservation. This should be included in the APO as a consideration.

Future IESO procurement timelines need to be expanded. The period of time between deliverability test conclusion/results and RFP bid date has been challenging for proponents. RFP requirements including but not limited to public community engagement, municipal support confirmations, and indigenous consultations and partnerships, all require comprehensive and thoughtful discussions, which take time; however, the timeline to meet these requirements has been compressed. The amount of time between deliverability test results to bid submission should be increased to no less than 6 months to allow proponents sufficient time to engage with and inform municipalities, relevant stakeholders, communities as well as develop and enter into partnerships with indigenous communities.