

# Feedback Form

## 2020 Annual Planning Outlook Engagement – January 26, 2021

### Feedback Provided by:

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Following the January 26, 2021 engagement webinar on 2020 Annual Planning Outlook (APO), the Independent Electricity System Operator (IESO) is seeking feedback from participants on the APO report, module, methodology and supplemental data. The engagement presentation, the 2020 APO, and additional information on the outlook can be found on the [Annual Planning Outlook engagement webpage](#). The IESO will work to consider feedback and incorporate comments in future outlooks as appropriate.

**Please provide feedback by February 17, 2021 to [engagement@ieso.ca](mailto:engagement@ieso.ca).** Please use subject: *Feedback: 2020 Annual Planning Outlook Engagement*. To promote transparency, this feedback will be posted on the [Annual Planning Outlook engagement webpage](#) unless otherwise requested by the sender.

Thank you for your time.

## 2020 Annual Planning Outlook Report

Topic	Feedback
<p>What chapter/section is most helpful?</p> <p>Choose all that apply: Demand forecast, supply outlook, transmission outlook, capacity adequacy, energy adequacy, surplus baseload generation, transmission security, integrating needs, meeting needs, marginal costs, greenhouse gas emissions, other.</p> <p>Tell us more: What did you like about it?</p>	<p>The additional information provided this year was very helpful in understanding the needs of the power system. The hourly demand forecasts were particularly helpful for stakeholders that are interested in making better use of low emission surplus electricity. Some additional IESO hourly data is required as indicated below.</p>
<p>What do you want to read more about?</p>	<p>IESO should proactively encouraging the OEB and Ministry in better aligning the retail market with the wholesale market. Specifically, an interruptible demand market is needed at the retail level so that clean electricity surpluses can be better utilized domestically in Ontario to help consumers reduce their total energy bills and atmospheric emissions.</p>
<p>What key factors, uncertainties, scenarios, and additional considerations should the IESO include in future outlooks?</p>	<p>Most stakeholders are not in the position to model adjoining power systems in order to determine how wholesale market prices are impacted by demand changes for surplus clean electricity in Ontario. It would be helpful if the IESO provided hourly forecasts not only for demand but also for imports, exports, each type of generation (total nuclear, total hydro, total solar, total wind and total natural gas) and total clean energy surplus to domestic needs (combined exports + SBG when natural gas is not required to be dispatched). Stakeholders would then be better able to develop business cases to utilize surplus low emission electricity.</p>

## 2020 Annual Planning Outlook Modules, Methodology, and Supplemental Data

Topic	Feedback
<p>Are the assumptions, inputs, and methodology reasonable?</p>	<p>Scenario 2 should have had a lower growth rate for loads other than EV deployment, mass transit electrification and greenhouses compared to Scenario 1. Historically IESO has overestimated actual growth rates in IESO's most likely scenario.</p>

Topic	Feedback
	<p>MIDAC suggests that the Scenario 2 growth rate should have been set equal to zero (flat demand) for all loads except EV deployment, mass transit electrification and greenhouses. IESO's demand forecasts for the latter 3 new loads appear reasonable. Rising federal carbon prices and the public's concerns for the environment suggests load growth will continue to be flat for the foreseeable future. Also, the IESO should have forecasted an additional 3<sup>rd</sup> Scenario for the public's information and peace of mind with respect to addressing dramatically higher emissions in Scenario 1 and 2. Scenario 3 should have included the deployment of a sufficient capacity of small modular reactors (currently being developed with government support) beyond 2030 to bring emissions back down to the 2017 level by 2040. It is suggested that the annual growth rate for loads other than EV deployment, mass transit electrification and greenhouses in Scenario 3 should be flat (no growth).</p>
<p>What information do you want to see more of?</p>	<p>None.</p>

## General Comments/Feedback

IESO's Annual Planning Outlook data set and supporting information is excellent.

The suggestions MIDAC has offered above are with a view to address:

- (1) the public's concerns with rising emissions in the forecasting period and
- (2) the stakeholders' interest in developing business cases to use surplus clean electricity domestically to offset their fossil fuel use. This also requires the Ministry and OEB to introduce an interruptible electricity market at the retail level.

The IESO facilitates export sales of interruptible electricity in the wholesale market at very low rates. IESO's expertise would be useful in assisting the Ministry and OEB to develop an interruptible electricity market at the retail level. Introducing an interruptible electricity market at the retail level would help Ontario businesses and other consumers reduce their total energy bills and emissions.

Current there are too many energy (kWh) based retail markups that discourages domestic use of surplus clean electricity. The worst offender is the global adjustment that should have been applied as a peak demand sur-charge (kW) rather than an energy demand (kWh) sur-charge. The global adjustment is effectively the fixed cost of providing sufficient installed capacity to meet peak demand requirements. Therefore a peak demand sur-charge (kW) would have been more appropriate.

If the global adjustment is recast as a peak demand sur-charge there would not be a need for the Industrial Conservation Initiative (ICI) which is currently costing more than it yields in power system benefits.