

JUNE 21, 2022

2022 Annual Planning Outlook: Supply Cases

Resource Integration | Resource and Plan Assessments

Purpose

- Continue to provide transparency in IESO planning activities, specifically, this information session will provide an overview of the supply outlook scenarios being considered for the 2022 Annual Planning Outlook

Background

- 2022 will mark the IESO's fourth published Annual Planning Outlook (APO)
- The APO provides a means of understanding system needs over a 20-year time horizon
- With the system continuously evolving, and entering periods of significant and sustained increase in resource acquisition activities, the IESO is revisiting the approach on forecasting the supply resources

Summary

- To help stakeholders better translate the Annual Planning Outlook into Annual Acquisition Report (AAR), the IESO is re-framing the supply outlook in the APO
- The analysis in the APO directly informs planned actions in the AAR that are intended to ensure long-term system reliability
- Two supply cases will be presented in the 2022 APO, similar to previous years

Supply Baseline

- To develop the two supply cases, a supply baseline will be first established to account for resources that have the highest level of certainty for the purposes of meeting reliability. This is expected to include:
 - Resources that are existing (e.g. steel in the ground)
 - Resources that have been renegotiated and executed
 - AAR planned actions that are in their execution phase where amounts have high confidence it can be achieved (e.g. firm guidance target capacities under the Capacity Auction)

Supply Baseline (continued)

- This baseline will be used as the foundation for the two cases in the 2022 APO
- The baseline, along with the two cases, will inform planned actions for the subsequent AAR

2022 APO Supply Cases

CASE 1	CASE 2
Purpose	
<ul style="list-style-type: none">Define maximum system needs (some of which could be met by existing resources)	<ul style="list-style-type: none">Define minimum new system needs (existing resources are exhausted)
Description	
<ul style="list-style-type: none">Existing, committed resourcesNew and existing resources committed by an IESO planned action or government policy statement	<ul style="list-style-type: none">Case 1 + all resources are assumed to be available until the end of the planning horizon (similar to previous APO's "with continued availability of resources" scenario)
Application in AAR	
<ul style="list-style-type: none">Define high end on requirements for the 2023 AAR; provide insights on whether procurement targets should be adjusted	<ul style="list-style-type: none">Define minimum new resources that AAR planned actions should seek to acquire; provide insights on whether procurement targets should be adjusted

Procurement Opportunities

- Case 1 and Case 2 are grounded with information available at the time of APO development
- With an expected year end APO release, the assessment of certain procurement outcomes will not be accounted for
- Procurement timelines may not align well with the timing of APO assessment

Procurement Opportunities (continued)

- Without knowing the specific outcomes of these planned actions (e.g. considerations regarding locations, technology, timing, MW) an assessment of their impact on system requirements is not practical for this APO
- Using the latest market intelligence at the time of APO development, the IESO will assess these procurement activities qualitatively in nature with respect to how they would address overall system needs
- The yearly release of an APO and AAR provides the IESO with an opportunity to: assess system outlook; monitor progress of planning procurement; and provide other related updates

Next Steps

- Analysis to support the development of the 2022 APO is currently underway
- The release of the 2022 Annual Planning Outlook is targeted for December 2022

Feedback or Questions:

- Are there any specific questions, comments or concerns with the two supply cases presented?
- If you have any questions or feedback on the information shared today, please contact IESO Engagement at engagement@ieso.ca