

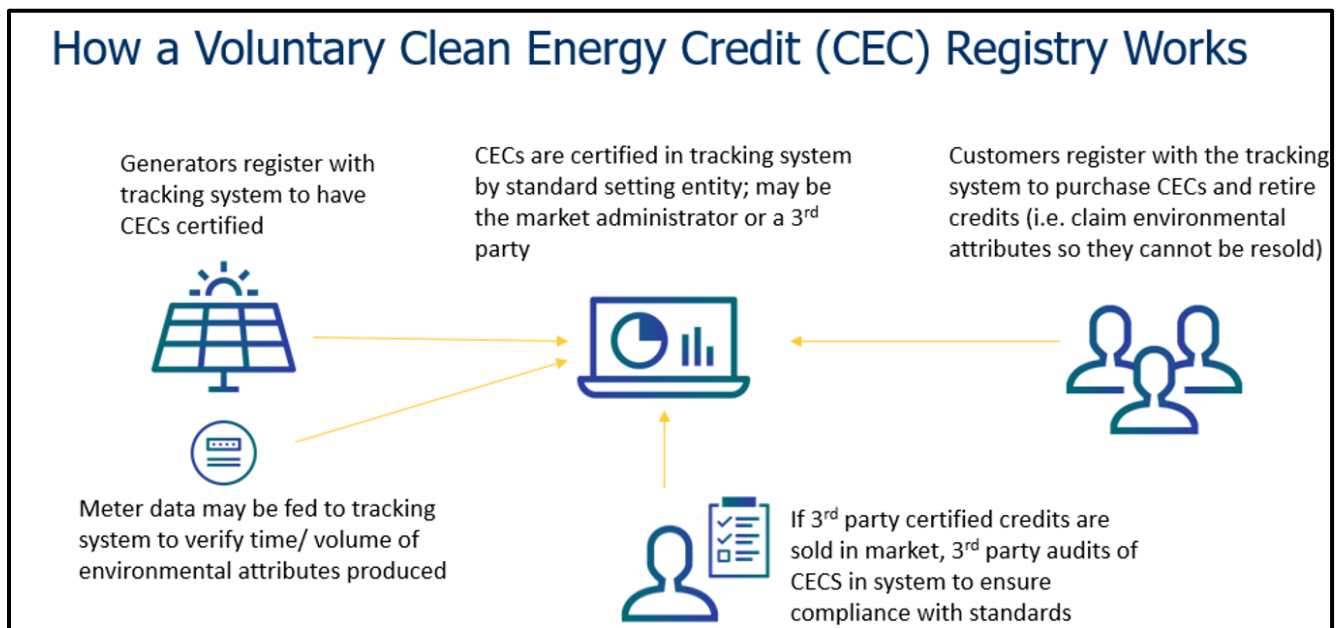
# Engagement Plan

## Clean Energy Credits

### Introduction

The Ministry of Energy has asked the IESO to assess options for the establishment and ongoing operation and management of a registry to support the creation and/or recognition, trading and valuation, and the retirement of renewable and clean energy credits (CECs) within the province. CECs may be used to demonstrate that clean/renewable energy has been procured, either to meet a compliance standard or voluntary target. The credits themselves certify that 1 MWh of clean energy has been generated and subsequently retired on behalf of a person or organization. The creation, trading, and retirement of energy credits is often certified and tracked through an energy tracking system or registry (see Figure 1 below for an explanation of how a CEC registry generally works).

Figure 1.



Voluntary CEC registries currently exist in several other jurisdictions. Prominent voluntary registries include the Midwest Renewable Energy Tracking System (M-RETS) and the North American Renewables Registry (NAR).

A voluntary CEC market can support economic development in the province by helping business and other organizations meet their clean energy goals. Voluntary investment in CECs can support efforts to decarbonize the Ontario electricity system. A voluntary Clean Energy Credits registry could also support more robust competition in the IESO's Resource Adequacy procurements by providing an additional revenue stream for clean energy resources. The IESO is to report back in July, 2022, with detailed design options and recommendations for a CEC market and registry based on the following design principles:

- **Domestic:** The registry should include renewable and clean energy credits for electricity generated and consumed in Ontario. The initial design of the registry should be scoped to enable the trading of credits within Ontario.
- **Voluntary:** The purchase of credits from the registry would be voluntary.
- **Customer choice:** Evaluate market demand and create a variety of products to satisfy that demand.
- **Monetize investments made:** Credit offerings should include existing non-emitting generation with best efforts made to enable proceeds from CEC sales to flow to ratepayers.
- **Future Proof:** Build the registry to offer flexibility and the potential for future expansion to other products or markets, and to consider how the registry might incentivize future investment in new clean or renewable generation, when that power is needed.

The IESO will engage with stakeholders on their clean energy goals, how they would like to meet those goals, and how clean energy credits could support those goals. This information will be used to ensure that customer preferences inform the IESO's report back to the Minister on options for CEC product offerings and registry. This feedback will also help inform the IESO's evaluation of a potential moratorium on the procurement of new natural gas generating stations and the development of an achievable pathway to zero emissions in the electricity sector per the [Minister of Energy's October 7, 2021](#) letter to the IESO.

## Stakeholders and Communities

The IESO encourages all interested parties to participate in this engagement through the public engagement activities described in the Approach section below. The IESO anticipates that this initiative will be of particular interest to:

- Large industrial customers
- Industrial associations
- Commercial/institutional customers
- Indigenous communities

- LDCs
- Renewable and clean energy generators
- CEC brokers

## Engagement Objectives

- To understand customer clean energy goals, how they would like to meet those goals, and how clean energy credits could support those goals;
- Identify areas of input that may require more focused discussions to inform the initiative through possible dedicated technical sessions;
- Identify potential design options for CEC offerings and a registry for the Ontario market, incorporating stakeholder feedback and considerations;
- Understand how customers are/will report clean energy activities in order to avoid unintended consequences of a registry on efforts to meet clean energy goals (including the potential for double-counting).

## Approach

- This engagement plan will be implemented in accordance with the IESO's approved engagement principles. This is a public engagement process.
- All materials will be posted on the dedicated IESO engagement webpage, and, any information/input supplied by interested parties will also be posted (with consent). The approach for this engagement includes opportunities to provide input through various channels such as webinars, technical sessions, meetings, and written feedback.
- The project team will consider all relevant input and illustrate how feedback was considered to shape the stated objectives.
- Send out a confidential survey to large consumers in Ontario to better understand clean energy preferences.
- Utilize technical groups, as applicable, to focus on certain project deliverables and relay status updates to stakeholders for feedback

## Proposed Engagement Schedule

- The anticipated timing for this engagement is presented below. Note that timing and content associated with upcoming activities are subject to change.

Timing	Engagement Activity
February 24, 2022	Stakeholder Engagement Webinar <ul style="list-style-type: none"> <li>• Provide overview of Ministry request</li> <li>• Introduce initiative and work plan</li> <li>• Provide background on CEC markets and an understanding of key concepts</li> <li>• Communicate purpose and approach to engagement</li> <li>• Launch CEC survey</li> <li>• Solicit stakeholder interest in joining technical sessions on how a CEC registry/market can be used to support customer goals</li> <li>• Seek feedback on key considerations for a CEC market in Ontario</li> </ul>
March 17, 2022	Deadline for feedback on February 24, 2022 engagement session
March 24, 2022	Survey closes
March 31, 2022	Response to stakeholder feedback published
March-April, 2022	Technical sessions with stakeholders
Q2 2022	Stakeholder Engagement Webinar <ul style="list-style-type: none"> <li>• Share survey/technical session findings</li> <li>• Share draft options identified through engagement for inclusion in report to Ministry</li> <li>• Seek feedback on draft options and draft IESO recommendations</li> </ul>

## Additional Background and Resources

- CEC Market Recommendation Report - due July 4, 2022
- [Minister's Letter – January 26, 2022](#)

## Related Engagements

- Zero Emissions Pathway Project
- [Resource Adequacy Engagement](#)