

IESO Engagement

From: IESO Engagement
Sent: October 7, 2022 12:13 PM
To: IESO Engagement
Subject: New IESO Procurement Advice: Shift to Grid-Scale Storage While Relying on Natural Gas Expansions in the Near-Term

As part of its plans to acquire 4,000 MW of new electricity supply that will support Ontario's economic growth and electrification, the IESO recommends that the new capacity include a significant investment in battery storage, balanced by natural gas capacity and other forms of non-greenhouse gas emitting generation to ensure reliability and affordability.

The IESO's Resource Eligibility Interim Report responds to a request from the Minister of Energy to provide recommendations on the eligibility of natural gas projects in a series of ongoing IESO procurements for new electricity capacity. The report makes three key recommendations:

- The IESO should move forward to procure approximately 2,500 MW of energy storage to provide flexibility to the power system, charging up when demand is low and providing electricity to the grid when it is needed most. Most of this new supply would be operational by 2027, representing one of the largest storage fleets in North America.
- These procurements should include other non-emitting forms of supply such as biofuels and renewable/storage hybrids – as they can also help meet peak demands and other changes in system needs.
- In order to mitigate against global supply chain delays and ensure a reliable and affordable electricity system, up to 1,500 MW of natural gas capacity should be added between 2025 and 2027, in large part through upgrades and expansions at existing facilities.

These recommendations are designed to ensure that Ontario remains a magnet for businesses looking to invest in the province; while supporting communities as they push ahead with their decarbonization plans. As the IESO moves forward on the design and implementation of upcoming procurements, it will continue to seek stakeholder input, and engage with municipalities and Indigenous communities around their role and participation in project development.

Recommendations on the future role of natural gas will be included in the IESO's Pathways to Decarbonization report to be released later this year.

Read the full [news release](#) and visit the [report webpage](#).

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