

Engagement Plan

Transmission Losses – September 2020

Introduction

In the [Decision and Order on the IESO's 2018 Expenditures, Revenue Requirement, and Fees submission \(EB-2018-0143, "2018 Revenue Requirement"\)](#), the Ontario Energy Board (OEB) accepted the Package Settlement as agreed to between the IESO and participating intervenors. The Package Settlement included a condition that the IESO engage with stakeholders regarding the IESO's transmission losses work to explore cost effective opportunities for line loss reduction with Hydro One.

To satisfy this condition, the IESO will lead a formal stakeholder engagement on transmission system losses. As part of this engagement, the IESO with Hydro One's assistance will prepare supporting materials building upon the public information session conducted in September 2019 that informed stakeholders on how transmission system losses are considered during planning of the transmission system in Ontario.

This engagement plan outlines the objectives, approach, timeline and considerations for engaging stakeholders. This engagement plan may be subject to review and updated as the process evolves. All comments and enquiries on this engagement can be directed to engagement@ieso.ca.

Stakeholders and Communities

The IESO encourages all interested parties to participate as described in the Approach section below. The IESO anticipates that this initiative will be of interest to intervenors in the IESO's 2018 Revenue Requirement Submission, transmitters, generators, consumers, industry associations, consumer groups, transmission-connected customers, energy technology companies and other energy solution providers.

Engagement Objectives

The objective of this engagement is to fulfill the condition of the 2018 Package Settlement, ensure stakeholders understand how transmission losses are considered in electricity planning in Ontario and other jurisdictions, and to provide opportunities for stakeholders to provide feedback to be

considered in the preparation of a final joint IESO and Hydro One report on each entities' respective practices.

Specifically, through this engagement, the IESO will seek feedback from stakeholders on:

- opportunities to cost-effectively reduce transmission losses, including through improved processes, cost-benefit analysis methodologies, documentation, and reporting;
- a report to document the IESO's and Hydro One's respective practices regarding mitigating transmission losses as well as identifying potential areas for overall net benefit reductions in transmission losses and any opportunities for improvement; and
- the need for, and the incremental value of, retaining independent, third-party expertise to review these processes and identify further areas for improvement.

Approach

The implementation of this engagement plan will be in accordance with the IESO's [engagement principles](#).

This process is a public engagement process. All materials will be posted on the dedicated IESO engagement webpage for this initiative. In addition, any information/input supplied by interested parties will also be posted, with their consent.

The approach for this engagement initiative includes opportunities to provide input through webinars, and written feedback. The IESO will consider all relevant input and illustrate how feedback was considered to shape the stated objectives.

Stakeholders from other engagements are invited to participate directly in this engagement. Any materials shared regarding this engagement for information in other forums will be made available through this engagement.

Proposed Engagement Schedule

Anticipated timing for this engagement is presented below.

Timing	Engagement Activity
September 6, 2019	Public Information Session #1 – Purposed and timeline for these sessions, an explanation of transmission losses, and the accountabilities between the IESO and transmitters.
September 2020	Engagement meeting to discuss: <ul style="list-style-type: none">• transmission losses cost allocation and economic evaluation;• IESO and Hydro One’s respective practices regarding mitigating transmission losses• Comparison of National Grid UK and CEER planning and operational practices where transmission losses are considered; and• Potential improvements to IESO and Hydro One’s respective practices.
Q4 2020	Engagement meeting to review: <ul style="list-style-type: none">• Feedback from stakeholders on potential improvements to transmission losses practices• High-level overview of draft report for stakeholder feedback• Need for and incremental value of retaining independent, third-party expertise to review these processes and identify further areas for improvement.
Q1 2021	Draft report published for stakeholder review and comment
Q2 2021	Final report published

Additional Background and Resources

[National Grid UK Strategy Paper to address Transmission Licence Special Condition 2K: Electricity Transmission Losses](#)

[Council of European Energy Regulators \(CEER\) Report on Power Losses \(October 2017\)](#)