

Independent Electricity System Operator

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July 16, 2024

Re: Burlington to Nanticoke Regional Electricity Planning – June 25, 2024

The Atmospheric Fund (TAF) appreciates the opportunity to provide feedback and seek clarification regarding the IESO's Integrated Regional Resource Plan for the Burlington to Nanticoke Region. As a regional climate agency working across the Greater Toronto and Hamilton Area, we support comprehensive grid planning that prioritizes reliability and resilience. It's essential to incorporate a diverse mix of energy solutions and strategies to meet growing energy demands over the coming decades.

A growing body of research, both in Ontario and North America, suggests that local generation and storage, demand response, efficient electrification, and other local conservation and demand management (CDM) measures can and should play a major role in securing a reliable energy system for the region. **We emphasize the need for full and transparent consideration of non-wires alternatives like those outlined above to protect ratepayers from rising electricity bills.**

In this submission, we identify concerns with the information presented at the initial engagement session to better understand the current approach and ensure a comprehensive evaluation of all potential solutions.

Conservation and demand management to meet electricity needs

We welcome the consideration of non-wires alternatives (NWAs) and CDM in meeting the region's electricity needs. However, we are concerned that their potential contributions are being underestimated. The IESO has concluded that increased CDM in the Brant and Caledonia-Norfolk sub-regions "would not meet or meaningfully reduce the needs, it will also not enable growth," even in combination with other options. Without further evidence or analysis to support this, prematurely excluding CDM from consideration undermines the exploration of integrated and potentially cost-optimal solutions that could provide efficiency and flexibility benefits to the system.

This position overlooks the potential role of CDM in the region's electricity planning and reflects how [Ontario is lagging behind](#) many other North American jurisdictions in terms of energy efficiency. The IESO's own [Conservation and Demand Management \(CDM\) mid-term review](#), released in December 2022, indicates that the province has fallen behind [comparable jurisdictions](#) not only in spending on energy efficiency but also in leveraging the corresponding savings. The most cost-effective megawatt is usually the one avoided in the first place, as supported by the IESO's [Achievable Potential Study](#) in 2019 and subsequent update in 2022. In

addition, the IESO's [DER Potential Study](#) in 2022 showcased the tremendous potential of load flexibility resources to meet the incremental capacity needs of the system.

A prudent approach to infrastructure planning is needed to prevent unnecessary costs from burdening ratepayers. As technologies evolve, consumer behaviours change, and new policies are introduced, prioritizing scalable and flexible assets with short lead times is crucial. The IESO's reconsideration of Hamilton's future load growth in this study itself is indicative of the significant uncertainty underpinning these forecasts. Investing in non-wires solutions such as distributed generation and storage, along with local CDM, is vital. CDM initiatives are valuable regardless of demand levels because they promote efficient use of existing energy resources. Importantly, in a context where battery energy storage systems (BESS) are considered viable options, CDM should be evaluated for its potential to minimize the size of BESS required.

Considerations for the next planning phase

Given the complexity and uncertainty surrounding demand growth in the coming decades, it's important to consider the scalability, flexibility, and cost-effectiveness of the options available to meet these needs. TAF advocates for a comprehensive approach that includes the full consideration of distributed non-emitting generation, demand-side management, and energy efficiency measures on equal footing with traditional wired solutions. **We ask for transparency in assumptions used in the options analysis around incremental and enhanced CDM to ensure a thorough understanding of its potential.**

The [Electrification and Energy Transition Panel's recently published final report](#) underscores the role of regulatory bodies in shaping regulatory policies to align with the evolving clean energy landscape. Specifically, Recommendation 17 of this report calls on the IESO and OEB to examine where existing practices disadvantage the cost-effective participation of clean energy solutions and ensure a level playing field for distributed resources across the energy system.

TAF encourages the IESO to prioritize more flexible solutions that can adapt to local conditions and respond to on-the-ground realities and needs. As the planning process progresses and potential solutions are considered, TAF recommends that the IESO include comprehensive assessments of the feasibility and costs of distributed generation and enhanced CDM.

TAF appreciates the opportunity to provide feedback on regional electricity planning in the Burlington to Nanticoke region. We look forward to gaining further clarity in future stakeholder engagements and remain committed to fostering a collaborative environment that leads to innovative solutions for advancing the region's sustainable energy goals. Thank you for considering our input.

Sincerely,
Bryan Purcell



VP of Policy & Programs
The Atmospheric Fund

About the Atmospheric Fund

The Atmospheric Fund (TAF) is a regional climate agency that invests in low-carbon solutions for the Greater Toronto and Hamilton Area (GTHA) and helps scale them up for broad implementation. Please note that the views expressed in this submission do not necessarily represent those of the City of Toronto or other GTHA stakeholders. We are experienced leaders and collaborate with stakeholders in the private, public and non-profit sectors who have ideas and opportunities for reducing carbon emissions. Supported by endowment funds, we advance the most promising concepts by investing, providing grants, influencing policies and running programs. We're particularly interested in ideas that offer benefits in addition to carbon reduction such as improving people's health, creating local jobs, boosting urban resiliency, and contributing to a fair society.