

# IESO Engagement Update – November 3, 2020

The IESO is committed to working with stakeholders and communities to help understand their views about proposed changes and opportunities that may affect them.

This engagement update helps support a greater understanding of linkages between engagements, and a foundation for more comprehensive and integrated updates. For the most up-to-date information, please visit the individual engagement links below, or the IESO's [Active Engagements](#) Webpage.



## Forecasting and Planning

Engagements to support provincial and regional electricity planning over the next 20 years.

Active Engagements	Current Status	Next Steps
<p><b><a href="#">Formalizing the Integrated Bulk System Planning Process</a></b></p> <p>The IESO is seeking feedback on the design of a formal, integrated bulk system planning process.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Capacity Auction</a></li> <li>• <a href="#">Development of an IESO Competitive Transmission Procurement Process</a></li> <li>• <a href="#">Market Renewal Program (MRP) Energy Detailed Design</a></li> <li>• <a href="#">Regional Planning Review Process</a></li> <li>• <a href="#">Reliability Standards Review</a></li> <li>• <a href="#">Resource Adequacy</a></li> <li>• <a href="#">Transmission Assets End-of-Life</a></li> <li>• <a href="#">Transmission Losses</a></li> </ul>	<ul style="list-style-type: none"> <li>• In February 2019, a meeting was held with stakeholders to discuss and seek feedback on design considerations for the bulk system planning process</li> <li>• Since this meeting, the IESO has continued work on developing a “Straw Person” description of the process for stakeholder review while also considering alignment with other planning activities, the Market Renewal Program, and reporting initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Information on the bulk system planning process will be presented at an Engagement Day in Q4 2020</li> <li>• The high-level design of the proposed process will be presented for stakeholder feedback at the December or January Engagement Days</li> </ul>

Active Engagements	Current Status	Next Steps
<p><b><u>Regional Planning Review Process</u></b></p> <p>The IESO is seeking feedback to consider lessons learned and findings from the previous regional planning cycle and other regional planning development initiatives.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Development of an IESO Competitive Transmission Procurement Process</a></li> <li>• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> <li>• <a href="#">Transmission Assets End-of-Life</a></li> </ul>	<ul style="list-style-type: none"> <li>• A “Straw Person” design for the regional planning process was released earlier this year to gather feedback from stakeholders</li> <li>• The design contained a number of recommendations to improve the process, which falls within the IESO and Ontario Energy Board (OEB) areas of responsibility</li> <li>• In July, a table indicating which recommendations each organization would take the lead on implementing was posted along with the IESO’s response to feedback on the design</li> </ul>	<ul style="list-style-type: none"> <li>• The final report for this engagement is currently being prepared, based on feedback received from stakeholders, and is expected to be released by the end of 2020</li> <li>• A webinar will be held following the posting of the report</li> </ul>
<p><b><u>Regional Planning – East Lake Superior</u></b></p> <p>Regional electricity planning is underway in this region.</p> <p><i>Engagement Lead: Rouselle Gratela</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> <li>• <a href="#">Regional Planning Review Process</a></li> </ul>	<ul style="list-style-type: none"> <li>• A webinar was held on June 4, 2020 to seek feedback and additional input to inform electricity demand forecast for the development of an Integrated Regional Resource Plan (IRRP)</li> <li>• The IESO’s response to feedback was posted in late July</li> </ul>	<ul style="list-style-type: none"> <li>• In Q4 2020, outreach will be conducted with targeted market participants, municipalities and communities to ensure all electricity needs are considered in the IRRP</li> <li>• The next webinar is scheduled for late 2020 to provide an overview of the range of potential solutions to meet future electricity needs</li> </ul>
<p><b><u>Regional Planning – Southern Huron-Perth (Greater Bruce Huron)</u></b></p> <p>Regional electricity planning is underway in this region.</p> <p><i>Engagement Lead: Rouselle Gratela</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> <li>• <a href="#">Regional Planning Review Process</a></li> </ul>	<ul style="list-style-type: none"> <li>• A webinar was held on October 13, 2020 to seek feedback and additional input to inform electricity demand forecast for the development of an IRRP for this sub-region</li> </ul>	<ul style="list-style-type: none"> <li>• A response will be provided by mid-Nov. on feedback received on the electricity demand forecast for this region</li> <li>• The next webinar is scheduled for late 2020 to provide an overview of the range of potential solutions to meet future electricity needs</li> </ul>

Active Engagements	Current Status	Next Steps
<p><b><u>Regional Planning – KWCG</u></b> Regional electricity planning is underway in this region. <i>Engagement Lead: Rouselle Gratela</i> <i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> <li>• <a href="#">Regional Planning Review Process</a></li> </ul>	<ul style="list-style-type: none"> <li>• An update was provided on September 10 that the IESO has collected and considered input to finalize the electricity demand forecast, define emerging needs, and screen potential options</li> <li>• Overall, the electricity infrastructure is in a strong position to meet and support future growth</li> </ul>	<ul style="list-style-type: none"> <li>• A final public webinar will be scheduled in Q1 2021 to seek input on the draft IRRP recommendations</li> </ul>
<p><b><u>Regional Planning – Northwest</u></b> Regional electricity planning will commence shortly in this region. <i>Engagement Lead: Susan Harrison</i> <i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> <li>• <a href="#">Regional Planning Review Process</a></li> </ul>	<ul style="list-style-type: none"> <li>• Engagement will commence in Q4 2020 to seek input on a draft Scoping Assessment which will detail the work to develop the 20-year electricity plan for this region</li> <li>• Targeted outreach has begun to inform the engagement approach</li> </ul>	<ul style="list-style-type: none"> <li>• The first webinar is expected in late November 2020 to seek input on the draft Scoping Assessment</li> <li>• The final scoping assessment report is expected January 2021</li> </ul>
<p><b><u>Regional Planning – Ottawa Area Sub-Region</u></b> Regional electricity planning is underway in this region. <i>Engagement Lead: Amanda Flude</i> <i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> <li>• <a href="#">Regional Planning Review Process</a></li> </ul>	<ul style="list-style-type: none"> <li>• An Integrated Regional Resource Plan (IRRP) was completed in February 2020 for this sub-region</li> <li>• The plan recommends additional studies to address the identified needs that extend beyond the 20-year IRRP outlook</li> </ul>	<ul style="list-style-type: none"> <li>• Studies are anticipated to be completed in early 2021 with communications to follow</li> </ul>
<p><b><u>Regional Planning – Peel/Halton Region (GTA West)</u></b> Regional electricity planning is underway in this region. <i>Engagement Lead: Amanda Flude</i> <i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> <li>• <a href="#">Regional Planning Review Process</a></li> </ul>	<ul style="list-style-type: none"> <li>• A webinar was held on August 5, 2020 to seek feedback and input on potential solutions to be examined in this sub-region</li> <li>• Common feedback themes included consideration of local developments, official plans and non-wires alternatives in the development of the plan, and aligning planning with other plans/projects underway</li> <li>• Response to feedback was posted in mid-September</li> </ul>	<ul style="list-style-type: none"> <li>• A final webinar will be scheduled in Q1 2021 to seek input on the draft Integrated Regional Resource Plan (IRRP) recommendations</li> </ul>

Active Engagements	Current Status	Next Steps
<p><b><u>Regional Planning – Peterborough to Kingston</u></b></p> <p>Regional electricity planning is underway in this region.</p> <p><i>Engagement Lead: Amanda Flude</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> <li>• <a href="#">Regional Planning Review Process</a></li> </ul>	<ul style="list-style-type: none"> <li>• Following a webinar, the final Scoping Assessment Report was published in May 2020 detailing the need for a comprehensive Integrated Regional Resource Plan (IRRP) for the region, and including the terms of reference to complete the plan</li> <li>• Feedback from stakeholders emphasized the importance of reliable and uninterrupted service in the planning process to ensure local economic stability, as well as the importance of incorporating extreme weather events into demand forecasts</li> </ul>	<ul style="list-style-type: none"> <li>• Outreach will be conducted with targeted market participants, municipalities and communities to inform a comprehensive engagement plan</li> <li>• The next public webinar is expected in late Q1 2021 to provide more details of demand forecasts and an overview of the range of potential solutions to meet future electricity needs</li> </ul>
<p><b><u>Regional Planning – South Georgian Bay/Muskoka</u></b></p> <p>Regional electricity planning is underway in this region.</p> <p><i>Engagement Lead: Amanda Flude</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> <li>• <a href="#">Regional Planning Review Process</a></li> </ul>	<ul style="list-style-type: none"> <li>• A webinar was held on October 14, 2020 to seek feedback and additional input to inform the draft Scoping Assessment Report</li> <li>• The draft Scoping Assessment Report recommends the development of Integrated Regional Resource Plans (IRRPs) for two sub-regions - Barrie/Innisfil and Parry Sound/Muskoka</li> </ul>	<ul style="list-style-type: none"> <li>• Feedback on the draft is requested until Nov. 4</li> <li>• The IESO's response to feedback and the final Scoping Assessment will be posted on Nov. 23</li> <li>• Once finalized, a draft engagement plan will be developed for each of the IRRPs</li> </ul>
<p><b><u>Regional Planning – Windsor-Essex</u></b></p> <p>Regional electricity planning is underway in this region.</p> <p><i>Engagement Lead: Rouselle Gratela</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> <li>• <a href="#">Regional Planning Review Process</a></li> </ul>	<ul style="list-style-type: none"> <li>• Outreach meetings were held with key communities and stakeholders in early/mid-June 2020 to seek input on potential supply options being studied in an Addendum to the Windsor-Essex Integrated Regional Resource Plan (IRRP)</li> <li>• The Addendum will address electricity infrastructure needs that emerged in the Kingsville-Leamington area</li> </ul>	<ul style="list-style-type: none"> <li>• A public webinar will be scheduled in Q4 2020 to seek input on the draft recommendations</li> </ul>

Active Engagements	Current Status	Next Steps
<p><b><u>Reliability Standards Review</u></b></p> <p>The Ontario energy market is emerging from a sustained period of surplus conditions, and is beginning to see a capacity need take shape. With supply conditions tightening, the IESO sees an opportunity to review and challenge the existing thinking and approach to adequacy assessments.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Capacity Auction</a></li> <li>• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> <li>• <a href="#">Resource Adequacy</a></li> </ul>	<ul style="list-style-type: none"> <li>• At the August 26 webinar, the IESO presented information on the internal review of planning assumptions related to resource adequacy, and discussed considerations within the areas of Forced Outages and Non-Firm Imports, where there may be opportunities to ensure reliability more cost-effectively</li> <li>• Following the webinar, the IESO received feedback from stakeholders on methodology and assumptions</li> </ul>	<ul style="list-style-type: none"> <li>• The IESO will discuss the stakeholder feedback from the August webinar, and will present the proposed methodology changes at the December Engagement Days</li> </ul>
<p><b><u>Transmission Assets End-of-Life</u></b></p> <p>The IESO is seeking feedback on a draft process for collecting information on asset end-of-life, or expected service life from transmission asset owners.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> <li>• <a href="#">Regional Planning Review Process</a></li> </ul>	<ul style="list-style-type: none"> <li>• The Regional Planning Review Process “Straw Person” Design includes recommendations to improve the Transmission Assets End-of-Life process within the regional planning process</li> <li>• Additional information on the status and next steps for the Regional Planning Review Process can be found on the engagement page linked in the related engagements list</li> </ul>	<ul style="list-style-type: none"> <li>• This engagement is expected to conclude with the release of the Regional Planning Review Process Final Report by the end of 2020</li> <li>• A webinar will be held to answer questions from stakeholders on the final report</li> </ul>
<p><b><u>Transmission Losses</u></b></p> <p>This engagement will review IESO and Hydro One's practices on how transmission losses are considered in planning and operation of the system, a comparison of these practices to those used in other jurisdictions, and seek stakeholder feedback on potential improvements to these practices.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> </ul>	<ul style="list-style-type: none"> <li>• The IESO has relaunched this engagement with a dedicated plan and webpage to more clearly identify deliverables and timing</li> <li>• The Sept. 30, 2020 engagement session reviewed IESO and Hydro One's practices on regarding how transmission losses are considered in planning/operating the system, a comparison of these practices to other jurisdictions, and engaged stakeholder in a discussion on potential improvements</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder feedback on the information presented at the September 30 webinar was due by October 22</li> <li>• The IESO will review stakeholder feedback and incorporate this feedback into future engagement plans</li> </ul>

# Resource Acquisition

Engagements to ensure we have the tools and processes to acquire the resources we need to maintain a reliable and efficient system.

Active Engagements	Current Status	Next Steps
<p><b><u>Capacity Auction</u></b></p> <p>The IESO is committed to working with stakeholders to explore and implement competitive mechanisms, such as auctions, to secure the products and services it requires to operate the grid.</p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Design for Energy Storage Participation</a></li> <li>• <a href="#">Energy Efficiency Auction Pilot</a></li> <li>• <a href="#">Expanding Participation in Operating Reserve and Energy</a></li> <li>• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> <li>• <a href="#">IESO York Region Non-Wires Alternatives Demonstration Project</a></li> <li>• <a href="#">Innovation and Sector Evolution White Papers</a></li> <li>• <a href="#">Market Renewal Program (MRP) Energy Detailed Design</a></li> <li>• <a href="#">Reliability Standards Review</a></li> <li>• <a href="#">Resource Adequacy</a></li> </ul>	<ul style="list-style-type: none"> <li>• The IESO is preparing for the upcoming Capacity Auction on December 2, by registering participants and engaging in training activities</li> <li>• More information on that process can be found on the <a href="#">Capacity Auction web page</a></li> </ul>	<ul style="list-style-type: none"> <li>• Further updates to future auction design are under consideration and the timing of future meetings will be provided to stakeholders shortly</li> </ul>
<p><b><u>Design for Energy Storage Participation</u></b></p> <p>This engagement had the objective to develop the design for how storage will be able to participate and operate in IESO-Administered Markets (IAMs), in both an interim period, as well as on an enduring basis.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Capacity Auction</a></li> <li>• <a href="#">Distributed Energy Resources Survey</a></li> <li>• <a href="#">Expanding Participation in Operating Reserve and Energy</a></li> <li>• <a href="#">Innovation and Sector Evolution White Papers</a></li> <li>• <a href="#">Market Renewal Program (MRP) Energy Detailed Design</a></li> <li>• <a href="#">Updates to Performance Requirements: Market Rule Appendices 4.2 and 4.3</a></li> </ul>	<ul style="list-style-type: none"> <li>• This engagement was completed in September, with Market Rules and Manuals amendments recommended for the interim period</li> <li>• A Long-Term Design Vision document has been posted detailing the long-term design proposals developed through the project which will serve as the foundation for future storage design efforts</li> <li>• On October 20, the Technical Panel unanimously voted in favour to recommend the proposed Market Rule amendments to the IESO Board for consideration at its December 2020 meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Proposed Market Rule amendments to be considered by IESO Board at its December 2020 meeting</li> <li>• The amended Market Rules and Manuals are anticipated to take effect in Q1 2021</li> <li>• Interim Rules and Manual amendments for storage will need to be further updated in advance of the Market Renewal “go-live” date to ensure the progress made through the storage design project is maintained</li> </ul>

Active Engagements	Current Status	Next Steps
<p><b><u><a href="#">Development of an IESO Competitive Transmission Procurement Process</a></u></b></p> <p>The IESO is seeking feedback to aid in the development of a competitive transmission procurement process.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> <li>• <a href="#">Regional Planning Review Process</a></li> </ul>	<ul style="list-style-type: none"> <li>• This engagement was put on hold and IESO is currently determining the next steps associated with this initiative</li> </ul>	
<p><b><u><a href="#">Expanding Participation in Operating Reserve and Energy</a></u></b></p> <p>The IESO will explore market development options to enable further resource participation in the operating reserve and energy markets.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Capacity Auction</a></li> <li>• <a href="#">Design for Energy Storage Participation</a></li> <li>• <a href="#">Improving Accessibility of Operating Reserve</a></li> <li>• <a href="#">Innovation and Sector Evolution White Papers</a></li> <li>• <a href="#">Market Development Advisory Group</a></li> <li>• <a href="#">Market Renewal Program (MRP) Energy Detailed Design</a></li> </ul>	<ul style="list-style-type: none"> <li>• In webinars earlier this year, the IESO aimed to establish a common understanding of the requirements to participate by undertaking a detailed assessment of the requirements and processes to participate in the IESO-administered markets and analyzed areas of misalignment from respective technology types that were interested</li> <li>• The research on participation requirements and misalignments is being finalized and it is expected that a memo will be published by the end of the year</li> </ul>	<ul style="list-style-type: none"> <li>• Based on the feedback received, the engagement approach will be revised to build on EPOR-E and transition to a coordinated engagement approach that will support efforts to advance sector and market changes</li> </ul>

Active Engagements	Current Status	Next Steps
<p><b><u>Market Renewal Program (MRP) Energy Detailed Design</u></b></p> <p>The Detailed Design of the Market Renewal Program will create the detailed documents for the renewed market, building upon the high-level design. The Market Renewal Program as a whole will improve the way electricity is priced and scheduled in order to meet Ontario's energy needs reliably, transparently and efficiently.</p> <p><i>Engagement Lead: Karlyn Mibus</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Capacity Auction</a></li> <li>• <a href="#">Design for Energy Storage Participation</a></li> <li>• <a href="#">Expanding Participation in Operating Reserve and Energy</a></li> <li>• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> <li>• <a href="#">Market Renewal Program (MRP) Energy Implementation</a></li> <li>• <a href="#">Transmission Rights Market Review</a></li> </ul>	<ul style="list-style-type: none"> <li>• Draft versions of all 13 detailed design documents have been published for stakeholder feedback</li> <li>• Stakeholders continue to provide feedback on the final few documents that were published on the calculation engines, following on the Technical Session the IESO hosted to review the structure and the passes of the calculation engines</li> <li>• The IESO is reviewing and responding to stakeholder feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder feedback on the Pre-Dispatch Calculation Engine detailed design document, along with feedback on any of the previous documents that has changed as a result of reviewing the calculation engine documents, is due on December 2</li> <li>• Final versions of the detailed design documents will be published in early 2021</li> <li>• The IESO will also bring forward a discussion with stakeholders on an independent review process for Market Power Mitigation in November</li> </ul>
<p><b><u>Market Renewal Program (MRP) Energy Implementation</u></b></p> <p>The Implementation phase of the Market Renewal Program will begin by codifying the design into the Market Rules and Market Manuals, and then proceed onto creating tools, testing, training and readiness for bringing the renewed market to life.</p> <p><i>Engagement Lead: Karlyn Mibus</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Market Renewal Program (MRP) Energy Detailed Design</a></li> </ul>	<ul style="list-style-type: none"> <li>• The first batch of draft market rules and manuals on Market Entry and Prudential Security have been published for stakeholder feedback</li> <li>• Stakeholders provided feedback on the written guide and technology-specific workbooks for market power mitigation reference levels and reference quantities</li> <li>• The IESO is making revisions to the guide and workbooks based on feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder feedback on the draft market rules and manuals is due on November 9</li> <li>• Technology-specific engagements on reference levels and reference quantities will be held over multiple days in late October and November with revised workbooks, including examples, to be published prior to the meetings</li> </ul>

Active Engagements	Current Status	Next Steps
<p data-bbox="180 168 454 199"><b><u>Resource Adequacy</u></b></p> <p data-bbox="180 210 698 357">The IESO is seeking feedback about what tools are needed, in addition to capacity auctions, to competitively achieve long-term resource adequacy.</p> <p data-bbox="180 367 617 399"><i>Engagement Lead: Dale Fitzgerald</i></p> <p data-bbox="180 409 454 441"><i>Related Engagements:</i></p> <ul data-bbox="180 451 698 577" style="list-style-type: none"> <li data-bbox="180 451 422 483">• <a href="#">Capacity Auction</a></li> <li data-bbox="180 483 698 535">• <a href="#">Formalizing the Integrated Bulk System Planning Process</a></li> <li data-bbox="180 535 568 577">• <a href="#">Reliability Standards Review</a></li> </ul>	<ul data-bbox="698 168 1136 1039" style="list-style-type: none"> <li data-bbox="698 168 1136 441">• This engagement was launched on September 28 to present a high-level Resource Adequacy framework based on extensive stakeholder engagement over the past year</li> <li data-bbox="698 451 1136 798">• The IESO aims to finalize this high-level Resource Adequacy framework with stakeholders by end of 2020, following which, subsequent work will begin in Q1 2021 on the details needed to operationalize the framework mechanisms</li> <li data-bbox="698 808 1136 1039">• Feedback received during the meeting indicated stakeholders generally understood and supported this approach but were interested in the details</li> </ul>	<ul data-bbox="1136 168 1508 567" style="list-style-type: none"> <li data-bbox="1136 168 1508 283">• Written stakeholder feedback was due by October 20</li> <li data-bbox="1136 294 1508 567">• The next meeting is planned for the November engagement days during which, the IESO will present more details on the post-framework engagement</li> </ul>

# Operations

Engagements to ensure that Ontario's electricity resources are operating reliably within the IESO-administered market, while also undertaking continuous market improvements.

Active Engagements	Current Status	Next Steps
<p><b><u><a href="#">Energy Payments for Economic Activation of Demand Response Resources</a></u></b></p> <p>The IESO is seeking feedback on the research and analysis required to determine whether there is a net benefit to electricity ratepayers if demand response resources are compensated with energy payments for economic activations.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"><li>• <a href="#">Demand Response Working Group</a></li><li>• <a href="#">Energy Storage Advisory Group (ESAG)</a></li></ul>	<ul style="list-style-type: none"><li>• At the May 21 webinar, the IESO communicated its determination that payments for economic DR activations for wholesale price-exposed customer are inefficient, and subsequently IESO expanded the scope of the engagement to consider shut-down cost recovery</li><li>• At the August 26 webinar, options were reviewed and the IESO elaborated on why the stakeholder preferred cost-recovery mechanism for DR related shut down costs is not feasible to implement until post-MRP and that all options under consideration would require further evidence to demonstrate the materiality of the risk of under-recovering shut-down costs</li><li>• IESO has proposed adjourning further discussion until post-MRP projects are under consideration and stakeholders are willing to provide quantitative evidence to demonstrate the materiality of the issue</li></ul>	<ul style="list-style-type: none"><li>• The IESO continues to have individual discussions with stakeholders on the proposal to conclude this engagement and expects to communicate an update by the end of 2020</li></ul>
<p><b><u><a href="#">Improving Accessibility of Operating Reserve</a></u></b></p> <p>The IESO is seeking feedback on an issue related to the Operating Reserve (OR), whereby the amount of OR scheduled is not fully accessible.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"><li>• <a href="#">Expanding Participation in Operating Reserve and Energy</a></li></ul>	<ul style="list-style-type: none"><li>• A written update was posted in August 2020 to provide details on the ongoing internal work the IESO is undertaking on the two proposals discussed in this engagement – the settlement claw-back and Operating Reserve Activation (ORA) performance criteria proposal</li></ul>	<ul style="list-style-type: none"><li>• The IESO will present draft market rule and manual amendments for the settlement claw-back proposal and an updated design for the Operating Reserve Activation (ORA) performance criteria proposal at a webinar expected to take place by the end of Q1 2021</li></ul>

Active Engagements	Current Status	Next Steps
<p><b><u><a href="#">Transmission Rights Market Review</a></u></b></p> <p>The IESO is seeking feedback to determine what changes may be required to maximize the efficiency of the Transmission Rights (TR) market and to ensure that the TR market is aligned and compatible with the renewed energy market in the future.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Market Development Advisory Group</a></li> <li>• <a href="#">Market Renewal Program (MRP) Energy Detailed Design</a></li> </ul>	<ul style="list-style-type: none"> <li>• The Transmission Rights Market Review <a href="#">Interim Report</a> was recently released</li> <li>• In stage 2 of the project, the near-term improvements will examine the structure and mechanics of the current TR market and identify areas of inefficiency and potential improvements</li> </ul>	<ul style="list-style-type: none"> <li>• The next webinar was held on Oct. 27 to provide updates on the progress of Stage 2 of the TR Market Review, including a summary of feedback gathered through focused discussions with interested stakeholders and work underway to review the methodology to determine the number of TRs to auction</li> </ul>
<p><b><u><a href="#">Updates to IESO Monitoring Requirements: Phasor Data</a></u></b></p> <p>The IESO is seeking feedback on proposed updates to Appendices 4.15/4.16 to enable generators and transmitters to install phasor technology infrastructure and provide phasor data to the IESO.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• The IESO launched an engagement in June to seek feedback on proposed updates to IESO monitoring requirements to incorporate Phasor Measurement Unit technology (“phasor technology”) in Ontario</li> <li>• Stakeholder feedback has been received on the proposed updates, implementation timelines, and associated costs to install the new technology</li> </ul>	<ul style="list-style-type: none"> <li>• An update will be provided to stakeholders on the revised implementation timelines</li> <li>• A second engagement webinar will be held in Q4 2020 to present the draft Market Rule redlines for stakeholder feedback</li> </ul>
<p><b><u><a href="#">Updates to Performance Requirements: Market Rule Appendices 4.2 and 4.3</a></u></b></p> <p>The IESO proposes to update Appendices 4.2 and 4.3 of the Market Rules to mitigate identified potential operational concerns related to the increased penetration of DERs, and to clarify the performance requirements for inverter-based resources.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Design for Energy Storage Participation</a></li> </ul>	<ul style="list-style-type: none"> <li>• At the August 15 Technical Panel (TP) meeting, TP voted unanimously to recommend MR-00445, Performance Requirements, for consideration by the IESO Board</li> <li>• The Board passed the Rules update and the amendment became effective on September 21, 2020</li> </ul>	<ul style="list-style-type: none"> <li>• No further steps</li> </ul>

# Sector Evolution

Engagements that look to the future to see how innovation, new technologies and new collaborations can improve how we conduct our business.

Active Engagements	Current Status	Next Steps
<p><b><u>Distributed Energy Resources Survey</u></b></p> <p>The IESO is conducting a stakeholder engagement on behalf of the Ministry of Energy, Northern Development and Mines to better understand the role Distributed Energy Resources (DER) play in the Industrial Conservation Initiative (ICI) and the DER capacity available in Ontario.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Demand Response Working Group</a></li> <li>• <a href="#">Design for Energy Storage Participation</a></li> <li>• <a href="#">Energy Efficiency Auction Pilot</a></li> <li>• <a href="#">Innovation and Sector Evolution White Papers</a></li> </ul>	<ul style="list-style-type: none"> <li>• A voluntary survey was held until September 28 with Industrial Conservation Initiative (ICI) participants, as well as energy services companies serving these customers</li> <li>• Confidential follow-up discussions were also held with stakeholders in one-on-one and small group settings in early October</li> </ul>	<ul style="list-style-type: none"> <li>• The survey findings will be provided to the Ministry in Q4 2020</li> </ul>
<p><b><u>Energy Efficiency Auction Pilot</u></b></p> <p>The IESO is seeking feedback from stakeholders on the design of a pilot auction for procuring energy efficiency.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Capacity Auction</a></li> <li>• <a href="#">Distributed Energy Resources Survey</a></li> <li>• <a href="#">IESO York Region Non-Wires Alternatives Demonstration Project</a></li> </ul>	<ul style="list-style-type: none"> <li>• Based on stakeholder feedback, the IESO amended the meter data requirements subject to resources having appropriate alternative Measurement &amp; Verification arrangements</li> <li>• Also based on feedback, the auction date was changed to March 2021, for delivery starting in winter 2022 and summer 2023</li> </ul>	<ul style="list-style-type: none"> <li>• The auction will take place in March 2021 for capacity delivery starting in winter 2022 and summer 2023</li> </ul>
<p><b><u>Energy Efficiency Opportunities for Grid-Connected First Nation Communities</u></b></p> <p>The IESO is seeking feedback from communities to help inform the design of future energy efficiency programs for First Nation communities in Ontario.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Indigenous Energy Support Programs Review</a></li> </ul>	<ul style="list-style-type: none"> <li>• On October 9, the IESO launched a survey with First Nation Communities to obtain information on their awareness of, and participation in, current Save on Energy programs, as well as to better understand challenges to participating in energy efficiency programs</li> <li>• A meeting was held on October 22 to formally launch the engagement</li> </ul>	<ul style="list-style-type: none"> <li>• The deadline for survey responses is October 30</li> <li>• A webinar is planned for November to present and seek feedback on a “Straw-person” program proposal developed from the feedback received during the October meeting and the survey responses</li> </ul>

Active Engagements	Current Status	Next Steps
<p><b><u>Indigenous Energy Support Programs Review</u></b></p> <p>The IESO is seeking input to review and improve the Energy Support Programs currently offered by the IESO for First Nation and Métis communities and organizations in Ontario.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Energy Efficiency Opportunities for Grid-Connected First Nation Communities</a></li> </ul>	<ul style="list-style-type: none"> <li>• Following the July meeting where the IESO sought feedback from communities on the proposed redesign of the Indigenous Energy Support Programs (ESPs), in Sept, the IESO presented the final program designs and announced application intake for fall 2020</li> <li>• An application Q&amp;A session was hosted as part of the First Nations Energy Workshop on Oct 22, 2020</li> </ul>	<ul style="list-style-type: none"> <li>• Application intake opened on October 19, 2020, with Successful Recipients to enter into Funding Agreements in Q1 2021</li> </ul>
<p><b><u>Innovation and Sector Evolution White Papers</u></b></p> <p>The IESO intends to develop and release a series of white papers to support the creation of a shared, fact-based understanding of emerging opportunities and trends.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Capacity Auction</a></li> <li>• <a href="#">Design for Energy Storage Participation</a></li> <li>• <a href="#">Distributed Energy Resources Survey</a></li> <li>• <a href="#">Expanding Participation in Operating Reserve and Energy</a></li> <li>• <a href="#">IESO York Region Non-Wires Alternatives Demonstration Project</a></li> </ul>	<ul style="list-style-type: none"> <li>• The IESO published Part I of <i>Exploring Expanded DER Participation in the IESO-Administered Markets</i> white paper in October 2019</li> <li>• In January 2020, a meeting was held to discuss feedback and proposed options and considerations to be explored in the second DER white paper, which will include a more detailed examination of the relevant participation models and explore potential options and considerations to address the barriers that were identified in the first white paper</li> <li>• The IESO responded to feedback on the proposed options and considerations in order to further scope the second DER white paper</li> </ul>	<ul style="list-style-type: none"> <li>• Part II of the <i>Exploring Expanded DER Participation in the IESO-Administered Markets</i> white paper will be presented during the November Engagement Days for stakeholder feedback</li> </ul>

Active Engagements	Current Status	Next Steps
<p><b><u><a href="#">IESO York Region Non-Wires Alternatives Demonstration Project</a></u></b></p> <p>The IESO, with support from Natural Resources Canada, is undertaking a demonstration in York Region to explore market-based approaches to secure energy and capacity services from Distributed Energy Resources (DERs) for local needs.</p> <p><i>Engagement Lead:</i> <b>Colin Campbell</b></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Capacity Auction</a></li> <li>• <a href="#">Energy Efficiency Auction Pilot</a></li> <li>• <a href="#">Energy Storage Advisory Group (ESAG)</a></li> <li>• <a href="#">Innovation and Sector Evolution White Papers</a></li> </ul>	<ul style="list-style-type: none"> <li>• Following the July webinar where the IESO and Alectra provided information on the demonstration logistics, eligibility, local capacity auction and local energy auction, stakeholders submitted feedback on the draft Demonstration Project Rules and timeline</li> <li>• On September 28, the IESO posted the final Demonstration Project Rules, and opened initial registration</li> <li>• Final versions of the standard contracts for aggregators and direct participants were posted in October</li> </ul>	<ul style="list-style-type: none"> <li>• The first local capacity auction is scheduled for November 18 – 19 (initial registration deadline is October 28, 2020)</li> </ul>

# Update on Advisory/Working Groups and Committees

Group	Current Status	Next Steps
<p><b><u><a href="#">Energy Storage Advisory Group (ESAG)</a></u></b></p> <p>The Energy Storage Advisory Group will perform an advisory role to support and assist the IESO in evolving policy, rules, processes and tools to better enable the integration of storage resources within the current structure of the IESO-administered market.</p> <p><i>Engagement Lead: Colin Campbell</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Energy Payments for Economic Activation of DR Resources</a></li> <li>• <a href="#">Innovation and Sector Evolution White Papers</a></li> <li>• <a href="#">IESO York Region Non-Wires Alternatives Demonstration Project</a></li> </ul>	<ul style="list-style-type: none"> <li>• Please see the “Design for Energy Storage Participation” engagement update for a review of the current activities with the advisory group</li> </ul>	<ul style="list-style-type: none"> <li>• Further information on the role of ESAG will be communicated following the November SAC meeting</li> </ul>
<p><b><u><a href="#">Demand Response Working Group (DRWG)</a></u></b></p> <p>This is a forum where a dialogue takes place between stakeholders involved in demand response in Ontario and the IESO on current participation and future market development.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Distributed Energy Resources Survey</a></li> <li>• <a href="#">Energy Payments for Economic Activation of DR Resources</a></li> </ul>	<ul style="list-style-type: none"> <li>• At the October 8 DRWG meeting, the IESO presented preliminary results from the July demand response activations; reviewed stakeholder feedback received following the August 6 DRWG meeting along with the IESO’s response; and, continued the broader discussion on Demand Response (DR) participation in Ontario</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder feedback on the materials discussed at the October 8 webinar are due by October 30</li> <li>• The next DRWG meeting is expected to take place in December 2020</li> </ul>

Group	Current Status	Next Steps
<p><b><u>Market Development Advisory Group (MDAG)</u></b></p> <p>The Market Development Advisory Group (MDAG) will support IESO efforts to evolve the Ontario electricity market, beyond the Market Renewal Program, to cost-effectively ensure reliability in the near and longer terms.</p> <p><i>Engagement Lead: Dale Fitzgerald</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Expanding Participation in Operating Reserve and Energy</a></li> <li>• <a href="#">Transmission Rights Market Review</a></li> </ul>	<ul style="list-style-type: none"> <li>• Market rule amendments were approved by the Technical Panel this summer to implement the revised Transmission Rights Clearing Account (TRCA) disbursement methodology</li> <li>• Since then, the market rules have been approved by the IESO Board of Directors, have been reviewed by the Ontario Energy Board (OEB) and will come into effect for the May 2021 disbursement</li> <li>• For updates on the Transmission Rights Market Review and EPOR-E engagements, please see their individual entries above</li> </ul>	<ul style="list-style-type: none"> <li>• Further information on the role of MDAG will be communicated following the November SAC meeting</li> </ul>
<p><b><u>Technical Panel</u></b></p> <p>The Technical Panel's mandate is to review amendments to the Market Rules for Ontario's electricity market, and as requested, advise the IESO Board of Directors on specific technical issues relating to the operation of the IESO-administrated market.</p> <p><i>Engagement Lead: Agatha Pyrka</i></p> <p><i>Related Engagements:</i></p> <ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• At the October 20 Technical Panel meeting, members voted unanimously to recommend the Storage Design Project for consideration to the IESO Board</li> <li>• An education item for the Market Renewal Project was also presented</li> </ul>	<ul style="list-style-type: none"> <li>• For the November 10 Technical Panel meeting, an additional education item on the Market Renewal Project will be presented as well as an additional education item on Congestion Management Settlement Credit (CMSC) Recovery for Dispatchable Loads</li> </ul>