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# IESO 2021 Priorities

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# Overview

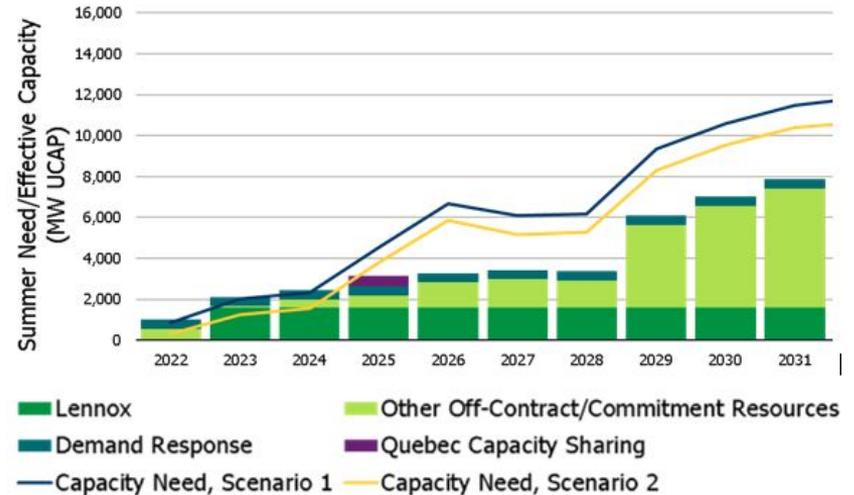
- The IESO enters 2021 with a number of initiatives incremental to its core responsibilities of ensuring the reliability and affordability of Ontario's electricity system
  - Evolving the market and implementing next phase of Market Renewal
  - Preparing Ontario to meet electricity needs that grow through the decade, including implementing a resource acquisition framework and enabling resources
  - Addressing regional electricity needs, most prominently in SW Ontario
  - Promoting a stronger, resilient organizational culture to continue to serve Ontarians

# Ontario's System Needs

Focus on preparing to meet the needs that emerge through the decade

**Next five years** - prepare for Pickering retirement and fully utilize existing and available resources; acquire new ones where needed

**Next five - 10 years** – utilize resource adequacy framework, enable emerging resources and respond to broader policy direction



# The Path Forward – Five to 10 year Plan

- Creating a path forward for the next 5 to 10 years – engaging the sector on how to meet future needs over the next decade
- The IESO's Resource Adequacy Framework details the short, medium, and long-term acquisition tools that the IESO will use; now moving into operationalization
- Develop the Annual Acquisition Report, which together with the Annual Planning Outlook, defines electricity needs and the mechanisms and resources that will be used to address them
- Focus on transition efforts required to facilitate integration into that framework through competitive procurement
- Work with government on its effort to refocus Ontario's energy planning framework

# Preparing the Capacity Auction

- Building off the success of the Demand Response Auction, the IESO ran its first Capacity Auction in 2020 which it will continue to run annually – providing a stable mechanism for resources that can meet changing short-term needs
- Over the next five years, the IESO intends to make incremental changes to increase competition and performance
- The annual auction, with two six-month commitment periods, is expected to be a key vehicle for acquiring capacity over the first half of this decade; mechanisms with mid and long-term commitments will meet needs emerging over the latter half

# Enabling Resources

- Innovation efforts will be focused on enabling **existing** and **emerging** resources to better participate in the IESO administered markets, ensuring we make the most of these resources
- Existing resources: The IESO will work with stakeholders to develop a work plan to enable existing resource types to participate more fully in the IESO-administered markets
- Emerging resources: To better understand opportunities to integrate emerging resources, the IESO will develop a Distributed Energy Resources roadmap and DER potential study to help prioritize its activities as well as study the potential benefits of hybrid resources
- Continuing to work with the Ontario Energy Board to ensure a coordinated and collaborative effort to enhance innovation within Ontario

# Market Renewal and the Evolving Energy Market

- The design phase of the Market Renewal project will be completed in Q1 with the Board approval of the detailed design
- Activities this year will focus on moving fully into the implementation stage, including the development of market rules and manuals along with continued stakeholder engagement
- The IESO will continue to address opportunities to improve efficiencies in the existing market – including issues raised by the Market Surveillance Panel

# Engagement as a Platform for Change

- Over the last year, the IESO refined its engagement processes to bring forward a broad range of perspectives to inform its decision-making
- These enhancements include:
  - A new stakeholder engagement framework
  - Expanded community engagement activities and regional networks
- These platforms will be critical as they will provide transparency and inclusiveness, facilitate communication and share outcomes as we work toward specific decisions about the future of our sector

# For Example: Meeting Needs in SW Ontario

Growing agricultural demand in SW Ontario provides a case study in the value of integrated approach to meeting local needs

Integrated Regional Plans and robust community engagement allow us to bring forward a variety of solutions.

- Transmission enhancements
- Energy efficiency
- Innovation
- Local generation capacity



# IESO Business Transformation

- The IESO is looking at how to transform the business to respond to current realities
- The continued pandemic has changed how we work and interact with each other – working from home will be standard business practice
- Organizations are also examining company culture and actions needed to build a safe, equitable, diverse and inclusive workplace - the IESO is no exception
- We are committed to being an organization with highly-engaged employees, dedicated to providing a reliable and cost-effective energy supply

# The View from Here

- This is a pivotal year – one where our current vantage point provides a very different perspective than in years past
- Discussions about meeting future needs will have much more tangible implications for our electricity system
- Our work together will forge a common path forward to ensure reliability over the next decade

