

# Memorandum

**To:** Stakeholder Advisory Committee

**From:** Jordan Penic, Senior Manager, Engagement and Indigenous Relations

**Date:** November 3, 2021

**Re:** IESO Business Update – Engagement Update

The following provides an update to members of the Stakeholder Advisory Committee (SAC) on recent engagement activities. A more general update on each of the active engagements, working/groups and committees is included in the companion Engagement Update document.

## **Forecasting and Planning**

### Gas Phase-Out Impact Assessment

On October 7, 2021, the IESO released its [assessment](#) on phasing out gas generation in Ontario by 2030. On the same day the report was released, the Minister of Energy issued a [letter](#) to IESO regarding the future of natural gas generation in Ontario asking the IESO to evaluate a moratorium on procurements of new natural gas generating stations in Ontario and develop a pathway to zero emissions in the electricity sector.

To ensure the report was informed by stakeholder input and feedback, prior to releasing the report, the IESO launched an engagement to allow stakeholders an opportunity to provide feedback on the scope of the assessment. A very diverse set of stakeholders participated in that engagement. Based on the letter from the Minister, as well as the request from many in the sector for the IESO to continue with a path forward, the IESO will now turn its focus to the next phase on this important topic which is also one of the items for SAC input at today's November 3 meeting.

### Integrated Bulk and System Planning Process

During the October 19 Engagement Days, the IESO engaged with its stakeholder community on the design of a formal, integrated Bulk System Planning Process. A final high-level design and process detail was presented along with an update on the progress made on the regional

planning process review which completed its engagement work in the Spring 2021. The target to implement the formalized Bulk System Planning Process is early 2022.

## **Resource Acquisition**

### Distributed Energy Resources (DER) Roadmap

At its October 20 Engagement Days meeting, the IESO introduced the roadmap objectives, longer-term timelines and next steps on the regional planning process updates related to non-wires alternatives. The OEB/IESO also took the opportunity to introduce a draft list of cross-cutting issues where the OEB/IESO are collaborating, including potential areas for enhanced collaboration for stakeholder input. The DER Roadmap is targeted for completion in Q4 2021

### Resource Adequacy

The IESO engaged on the items within the Resource Adequacy engagement with its stakeholder community again on October 21. At this meeting, the IESO and stakeholders discussed the enhancements to the Capacity Auction that are being presented in 2022. In order to capture the proposed enhancements that have been shaped by stakeholder feedback, a Capacity Auction 2022 enhancements design document was produced and is currently under review and comment by stakeholders until November 12.

Stakeholders also participated in a discussion on the procurements, both medium term and long term with a presentation used to guide the discussion. Updates to the medium term RFP included the extended term length from three years, to a three year up to five-year opportunity. The presentation also included an early look at the main areas of focus and work on the long term RFP that will begin in the coming months via this Resource Adequacy engagement initiative.

At the upcoming November Engagement Days meetings, the IESO is planning to include an update on the next Annual Acquisition Report (AAR) as well as introduce a discussion on procurement fees where input from interested stakeholders will be solicited.

## **Sector Evolution**

### Industrial Energy Efficiency Program

Phase 2 of the engagement on the Industrial Energy Efficiency Program took place on October 19. This phase pertains to the 2021-2024 Conservation Demand Management (CDM) Framework that includes a new customer focused program in 2022 for large transmission and distribution connected industrial consumers. The program is anticipated to enable large industrial consumers to specify funding that is needed to meet capital hurdles, or other business case requirements for large complex projects.

The object for the recent engagement meeting was to solicit feedback on the proposed program framework including items such as the application process and project selection criteria. Feedback is being requested by November 10 with the next touchpoint with stakeholders expected in Q1 2022 to present final draft program documents.