
Amendment to 2023-2025 Business Plan

Independent Electricity System Operator
September 1, 2023

Amendment to 2023-2025 Business Plan

Last year, in its 2023-2025 Business Plan, the IESO set out its priorities in a number of key areas, including: Ensuring resource adequacy, enabling new resources, fostering innovation, supporting decarbonization and advancing market renewal. These priorities are grounded in our corporate strategy, which positions the IESO to manage the significant change underway in our sector.

Almost one year later we recognize the impact following the release of our *Pathways to Decarbonization* study last December in shaping our work moving forward. The government consulted the public and released its *Powering Ontario's Growth* report, which outlines a series of important actions that will help address the province's growing electricity needs. This includes work to enable new nuclear power development, procuring additional non-emitting supply, and building out our transmission system; steps that will help the grid decarbonize and remain reliable while encouraging investment and supporting economic growth across the province.

The IESO will play a central role in implementing these government policy actions, which will require additional resourcing and expenditures. As a result, the IESO is submitting this amendment to revise the 2023-2025 Business Plan to ensure that it has the resources needed to carry out the specific requirements outlined in *Powering Ontario's Growth*. This request will ensure that this incremental work is well defined, staffed and prioritized within all the other deliverables of the 2023 -2025 Business Plan.

By developing the detailed plans and assessments needed to grow the system in an orderly, co-ordinated and cost-effective manner, this work will underpin the success for the energy transformation. IESO expertise is needed to develop approaches to develop new non-emitting supply projects, identify the transmission necessary to carry that supply to where it is needed, and ensure that our expanding system continues to operate reliably and effectively.

These actions include major inputs into our long-term planning efforts. As a result, the IESO is now pursuing new planning studies and assessing options – informed by previous engagements – to enable the connection of new pumped storage facilities, additional nuclear reactors at the Darlington and Bruce generating stations, and to support opportunities for Ontario Power Generation to optimize its existing hydroelectric generation fleet.

As an initial step, the IESO will work with the Ministry of Energy and Bruce Power on a proposed contractual approach to support the construction of the first full-scale nuclear plant in Ontario in three decades. It will report back to government on how to address costs and risk-sharing associated with this pre-development work in a way that minimizes the impact on ratepayers. The IESO will also work to identify transmission options to reduce reliance on natural gas generation in the Greater Toronto Area, as well as enable economic development in the north of the province.

Similarly, as the scheduled decommissioning of the Pickering nuclear plant approaches mid-decade, the IESO is looking at what transmission will be required to integrate new resources and expected demand from electrification. This forward-planning process will also complement the work already underway to develop a competitive transmitter selection framework for future transmission procurements.

The expanse of this effort also calls for extensive engagement with stakeholders, communities and rights-holders. For example, the IESO will be supporting the Ministry's consultations on the future of Conservation and Demand Management and the role it plays to support system reliability. As the sector opens to broader participation beyond its traditional boundaries, ensuring that all Ontarians have opportunities to contribute to a wide range of system needs will be critical to the success of the energy transformation.

Many of these action items were not included in the approved 2023-2025 Business Plan, and are described here for regulatory approval. Based on the reporting and execution timelines established by the Ministry of Energy for the IESO to complete this work, the IESO is prioritizing the following activities for 2023-25:

- Planning Transmission Network requirements; Development of Transmitters Selection Framework; Transmission Land Protection Outreach for Municipalities and Indigenous Communities
- Reporting back on Bruce Nuclear New-build Impact Assessment Cost Recovery Framework, design for the second Long-Term RFP and Clean Electricity Fund Options
- Supporting the Ministry's Consultation for CDM Program Post-2024
- Operability Studies/Market Assessments/New Technology Research
- Management of Clean Energy Credits in Support of the Future Clean Electricity Fund
- Engagement to assess Clean Electricity Fund opportunities for Indigenous Communities

Financial Amendment

Included in this Amendment is \$9.9 million in operating expenses for work to support the government's *Powering Ontario's Growth* plan, which was not previously included in the 2023-2025 Business Plan. These funds are necessary to develop a transmitter selection framework, a number of transmission plans to support investment projects and future lines, support for the Clean Energy Credit program, ensuring Ontario's system operability during this transition, and preparing for a new Conservation and Demand Management Framework. An additional \$1 million projected to be spent in 2023 will be managed within approved funding and operating reserve.

For the Year Ended December 31

(in Millions of Canadian Dollars)

Expenses	2024 Budget	2025 Budget
Approved Business Plan	218.4	229.7
Powering Ontario's Growth	4.5	5.4
Amended Business Plan	222.9	235.1

Average FTEs

Full Time Equivalents (FTEs)	2024 Budget	2025 Budget
Approved Business Plan	926	900
Powering Ontario's Growth	22	30
Amended Business Plan	948	930

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