

IESO LTEP IMPLEMENTATION PLAN DEVELOPMENT

Presentation to the Minister of Energy

November 30, 2017

Purpose

- To provide an overview of the IESO's plan for the development of its Implementation Plan

Summary

- The IESO will deliver its Implementation Plan, informed by stakeholder engagement, to the Minister by January 31, 2018
- The IESO has begun engagement to help inform the scope and timelines that will be included in the final Implementation Plan
- Engagement on the Implementation Plan during Q4 2017 focuses on gathering input to identify the steps the IESO will take to address each Directive Initiative
- The Implementation Plan will outline key implementation milestones, provide detail on process and timing and articulate targeted outcomes for each of the nine (9) directed initiatives
- Directive deliverables are estimated to be completed by Q4 2019
- The IESO will ensure alignment between its Business Plan and the LTEP Implementation Plan

Engagement Approach

- The IESO is engaging on the development of its Implementation Plan; feedback is being accepted until December 13, 2017
 - Engagement on the Implementation Plan includes a webinar with communities and stakeholders, a Stakeholder Advisory Committee meeting, and targeted outreach to associations, key stakeholders and/or community representatives
- The IESO is looking for feedback in the following areas:
 - Is an adequate and efficient scope of activities proposed to meet the implementation directive?
 - Are there other factors (e.g. additional external initiatives) that should be considered in the design of the timeline of activities?
 - Is the relative priority of the engagement schedule achievable?
- Out of scope:
 - The IESO will not be seeking feedback on the Minister's Directive
 - Feedback on specific activities; engagements specific to each initiative will launch after the Implementation Plan has been approved by the Minister

Key Milestones

	Target Dates
LTEP and IESO Implementation Directive issued	October 26
Implementation Plan development engagement: <i>Webinar and Q&A</i> <i>One-on-one stakeholder meetings</i> <i>Updates at IESO Regional Forums</i> <i>Stakeholder Advisory Committee</i> <i>Engagement feedback due</i> <i>Respond to Feedback</i>	<i>November 22</i> <i>Mid-November through early December</i> <i>November through December</i> <i>November 29</i> <i>December 13</i> <i>By January 31</i>
ENERGY update	Mid-December
Draft Implementation Plan	Mid-January
ENERGY update	Week of January 15
Finalize Implementation Plan	Week of January 22
Submit Implementation Plan	By January 31

IESO's Implementation Directive Summary

1.1	Review and propose options to improve energy support programs to First Nations and Métis, with the objective of better aligning programs with community needs and interests
1.2	Prepare a report on options to improve conservation programs, and access to programs, for First Nations and Métis. The report timing shall be aligned with the Mid-Term Review of the Conservation First Framework
2.1	Develop a program, administered by the IESO, to support a select number of innovative renewable distributed generation demonstration projects, strategically located and paired with other distributed energy resources and smart grid technologies, as well as virtual net-metering demonstration projects.
2.2	In coordination with the OEB, review market rules, industry codes, and regulations, in order to identify potential obstacles to fair competition for energy storage with other technologies in the delivery of services, and where appropriate, propose mitigation strategies
2.3	Identify options for pilot projects that evaluate the electricity system benefits, costs and GHG emission reductions of using electricity to create hydrogen.
3.1	Develop a formal integrated bulk system planning process that ensures solutions are identified transparently as needs materialize. The process shall also include a coordinated, cost-effective, long-term approach to replacing transmission assets at end-of-life
3.2	Develop a competitive transmitter selection or transmission procurement process that is transparent, efficient and able to respond to changing policy, market and system needs.
3.3	Review and report on the regional planning process, taking into account lessons learned, and provide options and recommendations.
3.4	Review and report on technical criteria used to assess customer reliability in order to identify and evaluate options for local area enhancements

Summary of Activities

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
1.1 First Nations/Métis Energy Support Programs									
1.2 First Nations/Métis Conservation Programs									
2.1 Renewable Distributed Generation Demo Program									
2.2 Energy Storage Obstacles									
2.3 Hydrogen Electricity System Benefits									
3.1 Bulk System Planning Process									
3.1 End-of-life Transmission Assets									
3.2 Transmission Procurement Process									
3.3 Regional Planning Process									
3.4 Customer Reliability									

	Information and Data Gathering
	Stakeholder Engagement
	Engagement Complete/ Outcomes Communicated

*Engagement process includes seeking feedback on the timing and sequencing of activities
For items 1.1 and 1.2, the IESO is leveraging existing engagement activities in 2017 to
address immediate needs*

*This timeline may change depending on factors such as alignment between initiatives, available resources, other considerations

Other LTEP Initiatives:

In-Front of the Meter Conservation (IFMC)

- The government, working with the IESO and OEB, will allow distributors to use the electricity savings from IFMC measures to meet their targets for electricity savings under Conservation First Framework (CFF)
- FMC project costs will continue to be funded through distribution rates, and subject to the OEB's review process
- IESO and OEB will meet in December to:
 - Agree on parameters for the review process, guidelines and processes needed for LDC rate applications and to include IFMC projects in LDC CDM Plans
- A webinar will be held in Q1 2018 to solicit feedback from LDCs and interested parties on moving forward with IFMC projects

Other LTEP Initiatives: Behind the Meter Generation (BMG)

- Beginning July 1, 2018, combined heat and power (CHP) projects using fossil fuels to generate electricity will no longer be eligible to apply for incentives under the Conservation First Framework or the Industrial Accelerator Program
 - The policy was outlined in the November 1 Conservation e-blast and at the November 2 All-LDC event
- Completed project incentive applications for proposed BMG projects must be submitted through an LDC to the Technical Reviewer before July 1, 2018 to be eligible for review
 - LDCs should use discretion when approving applications for engineering studies for proposed projects supplied by natural gas or propane purchased from, or otherwise supplied by, a third party in advance of July 1, 2018 considering the submission deadline for project incentive applications; and
 - Project incentive and engineering study funding applications for proposed waste energy recovery BMG projects will continue to be eligible after July 1, 2018.

Implementation Plan – Draft Content

- An **Introduction** that describes the purpose of the Implementation Plan within the broader LTEP legislative process
- An **Executive Summary** that puts the Implementation Plan actions in broader context of ongoing IESO initiatives and priorities
- For **each Directive Initiative**:
 - Context
 - Scope, Objectives
 - Engagement results – what we heard
 - Key activities, estimated timelines, and expected deliverable, all informed by engagement
- **Appendices** as required

Post-Implementation Plan

- Detailed engagement plans will be developed for each directive initiative once the Implementation Plan is approved by the Minister
 - Plans will include specific activities, timelines, forums, methods, etc.
 - Detailed engagement plans will be available, consistent with the timelines established in the Implementation Plan, with the consideration of stakeholder and community feedback
- All engagement activities will be communicated through the IESO Weekly Bulletin and IESO website
- The response to each initiative will include an open engagement component in adherence with IESO Engagement Principles

Next Steps

- **November-December:** engagement on the Implementation Plan
- **December-January:** finalize Implementation Plan
- **By January 31:** submit Implementation Plan for Minister's approval

APPENDIX

Implementation Plan Considerations

- Timing and prioritization of implementation Directive Initiatives
 - Implementation of each Directive Initiative will require engagement with relevant stakeholders, as well as technical resources and expertise
 - Will consider linkages with existing IESO and sector initiatives and activities
 - Will balance expectations of stakeholders and government with available resources and to avoid risk of stakeholder fatigue
- Coordination with OEB and Hydro One as needed:
 - Several Directive Initiatives require the IESO to work with OEB or Hydro One and in some instances comment on their existing processes
 - Consideration of mutual resources and timelines may also impact the timing of implementation Directive Initiatives