

CO/PO questions/edits to LTEP directives

LTEP IESO Directive

Question:

2.3 Are you able to provide some background on the direction around hydrogen pilot projects? Is this an extrapolation of the item identified in the appendix 1 of Energy's LTEP submission (Slide 61) as an example of "home grown nuclear innovations"?

Response

- The proposal for hydrogen pilot projects is not related to nuclear innovation. Instead, it relates to a concept described in the LTEP called "power-to-gas", where electricity is used to break water molecules down to oxygen and hydrogen (a process called electrolysis).
- This methodology is already in use to create hydrogen gas for fuels cells, and Metrolinx is doing a study on the use of hydrogen fuel cell powered go trains, but there are potential applications for both the electricity and alternative fuel sectors. For example, one of the energy storage projects procured by the IESO is an electrolysis system that draws power from the system in a way that provides ancillary services to the grid (e.g. managing voltage levels). The developer – Hydrogenics – can use that hydrogen for different purposes, including 'greening' natural gas by injecting the hydrogen into natural gas systems. The goal of the pilot projects is to explore other potential applications of hydrogen generation that can provide grid benefits as well as reduce greenhouse gas emissions.

Question

3.3- review of regional planning process- suggest that engagement with Indigenous communities should be included for this in addition to consultation with stakeholders and experts.

Response

- Stakeholders in the context of the regional planning is intended to encompass Indigenous communities. The preamble of the IESO directive also includes the following: "The implementation plan should also include how the IESO will engage with the public, Indigenous communities and stakeholders including electricity transmission and distribution companies and large power consumers on the policy reviews, processes and programs enumerated below."

Question

East-west Tie- is further direction not needed in addition to the August 4th letter re updated needs assessment?

Response

- No further direction is needed on the East West Tie at this time. The Minister has made a request to IESO to prepare a needs assessment and this was based on existing powers. We need to evaluate the results of this Needs Assessment, due in early December, before determining if further policy actions are appropriate. So no additional direction is needed to IESO or OEB at this point.

IESO Directive

Question

No reference to the direction to stop accepting incentive project applications for behind the meter generation projects using fossil fuel by July 1, 2018. This was specifically called out in the policy minute. Is it being accomplished in some other way?

Response:

- The OEB amending directive (which was shared), and a separate amending direction to the IESO (which does not require Cabinet approval) include a provision to phase out the eligibility of behind the meter generation (Combined Heat and Power) using supplied fossil fuels, starting July 1, 2018:

Directive language:

iii. Notwithstanding the definition of CDM set out in subparagraph 3.ii., CDM shall be considered to exclude behind the meter customer generation that uses fossil fuels purchased from or otherwise supplied by a third party as a primary fuel source, where the application for the project is received by the IESO on or after July 1, 2018. For greater clarity, CDM shall continue to be inclusive of behind the meter generation, where the generation of electricity is primarily from heat or fuel that is a waste by-product of a facility.

Question

PO has asked that the directive include some language on Market Renewal and CCAP consistent with the language from the policy minute. Please propose language for review.

Response

- Market Renewal is currently underway.
- The IESO has established a non-emitting resources sub-committee to ensure that the unique characteristics of non-emitting resources are fully considered in design work under market renewal.
- The LTEP includes language around the alignment of Market Renewal and the government's emission reductions goals (see page 36).
- Given LTEP is going to Cabinet next week, the directives are already with the Minister for final approval. If further changes are required, PO should reach out directly to ENERGY's Minister's Office.

OEB Directive**Question:**

2.1 sub bullet 2 re "protection of consumers in the natural gas sector"- Are you able to provide some elaboration as to what the intention of this would be?

Response:

- This language would provide the OEB with the opportunity to identify ways or tools to better protect Ontario's natural gas consumers.