

Message

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Sent: 2017-12-14 11:51:57 AM
To: David Barrett [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=ef6f3b035ceb494099260e6fa7603f36-David Barre]; Nik Schruder [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=fdeb9248bb1744b2aeefb2febc782a99-Nik Schrude]
CC: Anthy Lovachis [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=42a8bb25d4b341b6aa9c16b1ddbc0790-Anthy Lovac]
Subject: RE: Foreward to Achievable Potential Study Addendum 1 - Ministry comments
Attachments: MAP Foreword to Addendum 1 12-14-2017 v14.docx

Flag: Follow up

Attached are the requested edits to the MAP foreword. See notes below. Note an update to one of the modules will be provided shortly. Will need to add a reference to it in the document.

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From: David Barrett
Sent: December 07, 2017 10:47 PM
To: Bashir Bhana; Nik Schruder
Cc: Jordan Penic; Anthy Lovachis
Subject: Foreward to Achievable Potential Study Addendum 1 - Ministry comments

All, here are the comments back on the APS Addendum. We're still looking for information on when the LTEP modules will be posted.

Thanks,
David

- Given that the publication date for the Foreword is after LTEP 2017, it will be important to clarify whether the analysis in the Foreword incorporates 2017 LTEP supply and demand assumptions. It is also important to clarify that the impact of the Ontario Fair Hydro plan is not considered in the analysis, and to explain why. Suggest these details be added upfront to the Background section.

Have clarified.

- Suggested edit to page 1 (in red): "The MAP identified that 29 TWh of cost-effective achievable conservation potential are available by 2035 at a cost of approximately \$15 billion. This represents an incremental potential of 11.2 TWh and an incremental budget of \$14.5 billion relative to the Budget-Constrained Achievable Potential."

Have added. Note the increment is \$9.5 billion.

- Page 3: "A variety of electricity resources could help meet needs under each outlook. Higher levels of conservation savings would tend to reduce the need for such resources."

- The reading flow is a bit awkward here since by design the MAP outlook considers higher conservation savings. Is there a better way to structure this?

Have restructured.

- Page 4: “The average cost of this incremental GHG reduction ranges from \$100 to \$200/tonne, compared to the economic value of cap and trade of about \$30/tonne throughout the planning period.”
 - Could we add a footnote to this indicating that \$30/tonne is an average for the planning period. Please also include the source for this estimate.
 - For comparison purposes, suggest also referencing the cost per tonne estimates included in the Climate Change Action Plan

Have clarified it is an average over the planning period. We recommend including the carbon price outlook in the LTEP modules (we don't have this in the material shared with the Ministry. Will provide revised module shortly). The foreword can then refer to the module.

- Page 4: “As the incremental conservation in the MAP Outlook begins to ramp up in 2021 after the current CFF ends, the incremental cost of the MAP would exceed the avoided cost of supply resources between 2021 and 2030, leading to an average \$600 million per year increase in the total cost of electricity service during this period.”
 - This statement is misleading. Our understanding is that \$600 million is a maximum per year amount rather than an average amount between 2021 and 2030 (May 24 IESO deck, slide 3). Please correct – we had seen \$100-\$200 million in the May deck.

Have clarified. It is a maximum value.