

Energy Transformation Network of Ontario (ETNO)

Terms of Reference

Version 4.34

Additional amendments stemming from April 16th meeting for consideration at May 15, 2018 ETNO meeting. Specifically:

- a. **Removal of reference to the ETNO Chair being a two-year term and recognizing it as the ex officio prerogative of the IESO CEO.**
- b. **Establishment of an ETNO Vice Chair position to assist the Chair and preside over meetings in the Chair's absence.**

{see redlined changes on page 5}

Introduction and history

The Ontario Energy Transformation Network includes member organizations from Ontario's utility sector, industry associations, non-profit organizations, public agencies and universities working together to propose a vision for a smart grid in Ontario and examine the many components that comprise it. It is supported by the Corporate Partners Committee, which represents more than 45 private sector organizations active in the smart grid space – including, electric vehicle interests, energy retailers, energy management companies, systems integrators and equipment manufacturers.

In early 2009, the Ontario Smart Grid Forum (the Forum) issued its report *Enabling Tomorrow's Electricity System*. The report provides recommendations to advance the development of Ontario's smart grid, including calling on the provincial government to provide a framework to promote the smart grid project. A short time later, the Ontario government introduced Bill 150, the *Green Energy and Green Economy Act, 2009* (the GEGEA) to facilitate renewable generation, conservation and the development of Ontario's smart grid. The Smart Grid Forum subsequently provided advice to the Ministry of Energy's efforts to establish a set of detailed principles to guide the regulatory approach to the implementation of the smart grid in a manner consistent with the 'smart grid' definition set out in the GEGEA. In November 2010, this culminated in the Minister's directive to the Ontario Energy Board enshrining those objectives.

Since early 2009, much has happened with respect to smart grid development in the province – particularly in the areas of policy development, publicly-funded research, and implementation achievements by both public utilities and the private sector. Many of the crucial developments during the time period spanning from 2009 to 2015 were detailed in the in a series of five public reports released by the Forum as follows:

1. *Enabling Tomorrow's Electricity System, 2009*

2. *Modernizing Ontario's Electricity System: Next Steps*, 2011
3. *Access to Consumer Data: A Vignette*, 2012
4. *Ontario Smart Grid Progress Assessment: A Vignette*, 2013
5. *Smart Grid-related innovation: the emerging debate*, 2015

A new name and a renewed mandate:

In the summer and fall of 2017, the Forum began to consider a renewed mandate for the in light of a maturation of the smart grid-related discourse, both within Ontario and many other jurisdictions around the world. As part of this examination of the Forum's ongoing mandate, the group held an important visioning exercise (facilitated by the MaRS Advanced Energy Centre). It was agreed that the issues the Forum has been examining in recent years was now more pressing than ever. Distributed Energy Resources (DERs), advanced distribution management platforms and new structural models for organizing the distribution sector are all challenging foundational notions of market boundaries, industry roles and responsibilities. Advanced transportation technology, environmental policy and other technological changes outside of the electricity sector are also having an increasing impact on the electricity system.

As a result the Forum has agreed to expanded engagement with stakeholders that are shaping the smart grid landscape from across the broader energy sector as well as the continue input from the Corporate Partners Committee. To reflect this renewed and refocused mandate the Forum also agreed to a new name, **the "Energy Transformation Network of Ontario" (ETNO)**.

1. Objective

The primary objective of the ETNO is to: *Advance and leverage the transformation of the Ontario's energy sector by focusing on the high-level policy and regulatory aspects of emerging, smart-grid-related issues over a long-term horizon.* This will include a particular focus on topics including, but not necessarily confined to:

1. Act as a Platform for Dialogue amongst Key Stakeholders around Grid Integration
2. Provide Policy & Regulatory Recommendations
3. Develop design concepts and approaches to DER integration in Ontario
4. Capacity-Building, and particularly, assisting the interaction of utilities with other service providers, required to enable a high-DER future
5. Information gathering to assist the above activities

In carrying out its activities to meet this objective the ETNO will:

- Provide advice to government, regulators, agencies, and industry in general to advance the effective implementation of a smart grid in Ontario – including policy inputs for how DERs should be promoted or accommodated, while avoiding market distortions.
- Maintain a collective understanding of relevant developments in other jurisdictions
- Work to influence global developments in the interests of Ontario, such as necessary standards
- Identify barriers to investment and the means to address them
- Promote and support economic development by Ontario industry organizations and corporations and the export of smart grid expertise and knowledge
- Ensure that participation on ETNO appropriately reflects the diverse aspects of the Ontario energy demand/supply chain
- On a periodic basis, report to industry on progress towards achieving the Forum's objective and provide a brief update between reports
- Identify a common way to manage system-level measures of DERs
- Propose roles, responsibilities, information flows within the energy system
- Create a roadmap for regulatory efficiency in a high-DER future"

1A. Formulation of ETNO Recommendations:

Over the past several years, ETNO has provided recommendations to policymakers on a variety of topics, through both public reports and direct input to various organizations. As a general rule, ETNO seeks to reach a consensus viewpoint on recommendations amongst its members and by weighing the advice of the Corporate Partners Committee. Even when consensus has been reached, ETNO has noted in its various reports where differences of opinion may arise or otherwise need to be considered when formulating policy.

- Deliberating on policy options and reaching a consensus view is primary function of ETNO. However, ETNO members recognize that over the course of the group's deliberations, different viewpoints on various topics that may be incongruent with the views, positions, or mandate of the organizations that they are representing. Under no circumstances shall a member organization be forced to endorse an ETNO recommendation they do not agree with. In situations where a consensus viewpoint on a recommendation proposal is not possible, ETNO may choose such measures that may include: Noting the nature of the impasse without recommendation in the resulting report or recommendation;
- Refocusing the recommendation on the appropriate means by which the issue might ultimately be resolved by policymakers;
- Formulating a neutral position where the issue is raised and more than one potential policy option is presented; or

- Allow for one or more dissenting opinions to be reflected in the report or recommendation.

2. Scope

ETNO will:

- Focus on Ontario, but recognize developments occurring elsewhere and any necessary or opportune linkages
- Focus on electricity, but recognize convergence with other forms of energy, information technology, transportation and environmental considerations
- Not be an advocacy group for any one particular technology solution or vendor product
- Foster healthy competition and innovation in the provision of smart grid technologies
- Recognize and respect the interests of organizations participating in the Forum

3. Sponsor/Audience

ETNO is an industry initiative and the industry is the primary audience. However, this effort is also important to many other stakeholders, including the Ontario government, the Ontario Energy Board, the IESO, Ontario's research and development centres and manufacturing sector and retail customers.

ETNO'S member organization shall host and facilitate Forum meetings. The IESO and/or the Forum Chair's member organization may provide a "Smart Grid Corner" on its web site, offering public Forum materials as well as links to other efforts that are working toward the development of the smart grid.

4. Structure and Membership

ETNO will be composed of industry leaders and will represent a broad industry view. Participation will be voluntary. Forum members will be at the executive level – CEOs or direct reports to the CEO. ETNO may include one or more member representatives from each of the following categories of utilities, public sector institutions, and non-profit organizations:

- Energy Distributors;
- Energy Transmitters;
- Energy consumers;
- Organizations established under the provisions of the *Electricity Act*;
- Academic institutions; and
- Other public sector and non-profit associations or institutions that may be identified by ETNO from time to time, including, but not necessarily confined to, representation from other energy-related sectors, and the Information and Communications Technology sectors.

ETNO may also include observer members from:

- Various branches of the Ontario government, including but not necessarily confined to the Ontario Ministry of Energy;
- Various branches of the Canadian Government, including but not necessarily confined to Natural Resources Canada;
- Generators;
- The Ontario Energy Board; and
- The Corporate Partners Committee, represented by the Chair and Vice-Chair of that Committee.

Subject to the above composition requirements, the admittance or removal of any member to or from ETNO's membership is further contingent upon a majority decision of ETNO members. ETNO may also invite various groups and organizations to attend Forum meetings from time-to-time as observers, without necessarily offering outright membership to those parties. ETNO will give particular attention to groups and organizations offering insights from key industry segments including:

- Business model disrupters
- Technology Providers
- Various customer classes ranging from residential to commercial/industrial
- Standards bodies
- Developers
- Property Managers
- Agricultural and Farming sector

The Chair of ETNO shall be an ex officio position held by the Chief Executive Officer of the IESO, will serve for a term determined by ETNO members which shall not exceed two years. ETNO will review the mandate of the Chair every two years or on a shorter timeframe as it sees fit. An ETNO Chair may serve in that capacity for more than one term at the discretion of ETNO. The Chair shall be supported by a Vice Chair who is a member of ETNO and will serve for a term of two years, or as otherwise determined by ETNO members. The Vice Chair shall preside over meetings in the Chair's absence and carry out any other duties, as delegated by the Chair, that fall within the scope of these Terms of Reference.

Should ETNO need to incur costs beyond those associated with meeting facilitation, such costs shall be discussed and agreed to in advance and allocated among members as determined by ETNO.

One or more working groups may be established to facilitate the objectives of ETNO and to carry out directions as set out by ETNO. Working groups may be established as standing bodies, or ad hoc groupings assigned from time-to-time to a specific task assigned by ETNO.

In all cases the Terms of Reference for those groups shall be approved by ETNO. Members of any working group established by ETNO shall be drawn from ETNO's member organizations and other organizations designated by ETNO.

Topics and issues will likely surface that will require input from subject matter experts and non-traditional industry players (such as the transportation industry). Working groups may be formed at the discretion of the ETNO to deal with these specific topics and issues.

ETNO is supported by a Corporate Partners Committee that acts in an advisory capacity for topic areas selected by mutual agreement with ETNO. The operations of the Corporate Partners Committee are governed by a separate *Terms of Reference* maintained by that Committee and approved by ETNO. ETNO will annually review ETNO's *Terms of Reference*.

5. Meeting Locations and Schedule

ETNO will meet as required to meet its objectives.

Generally, meetings will be held at a location designated by the Chair's organization.

6. Attendance:

ETNO members are expected to attend all meetings of ETNO. On occasion it may be necessary to delegate an alternate representative to attend in their stead. In such circumstances, alternate representatives shall be from ETNO's Working Group – or otherwise be a sufficiently senior representative of that member's organization as to meet the spirit of the membership composition described in section 4.

If an ETNO member fails to attend three consecutive meetings or three meetings within a calendar year, they shall seek to meet with the Chair to discuss their future participation in ETNO and/or the participation of their organization. ETNO as a whole shall review the ongoing participation of any member organization that fails to comply with this requirement.