

Notes for Remarks — Terry Young

DATE: June 12, 2017

TIME: 8:30 a.m.

LOCATION: Beanfield Centre | Main Ballroom | 105 Princes' Blvd | Toronto, Ontario, Canada

- Good morning, everyone.
- My name is Terry Young; I am the Vice President of Conservation and Corporate Relations at the IESO, and on behalf of the organization, it is my pleasure to welcome you to the 2017 IESO Stakeholder Summit here at the Beanfield Centre in Toronto.
- This is actually a first for the IESO as a merged entity. The predecessor IESO held similar one-day forums in 2013 and 2014, which we found to be effective vehicles to hear a range of perspectives on a variety of issues and opportunities facing Ontario's electricity system. Around the same time, the former Ontario Power Authority (OPA) hosted regional forums in northwestern Ontario to discuss regional-specific interests.
- So we are building on our collective experience in delivering today's summit, as well as the five forums that we have planned for this Fall, that will enable us to facilitate dialogues on province-wide, regional and local energy issues.
- Our efforts in delivering today's Summit have also been guided by our Stakeholder Advisory Committee (SAC) that provides valuable advice and recommendations on market development, conservation, and planning decisions directly to the IESO's Board of Directors and Leadership Team.
- Our SAC members represent consumers, generators, distributors, transmitters, related businesses, services and Ontario communities. James Scognak, one of our SAC members, will be speaking shortly.
- In addition to thanking our SAC for their ongoing advice and stewardship, I would also like to thank the collection of speakers and presenters who have joined us here today, all of whom have taken time from their busy schedules to contribute to today's discussion.
- We were also very pleased to see just how many people registered for today's Summit. I was told there are about <200> of us here today. As I do a quick scan of the room today, I see a wide range of energy sector leaders from Ontario, and I also see folks who have journeyed here from outside the province to share their unique perspectives with us. To everyone, I say welcome and thank you for joining us here today.

Importance of Stakeholder Engagement

Commented [IESO1]: In the discussions with Terry re: the external strategy, he kept expressing the importance of "a dialogue". Can you find a way to include that language in here?

- Working with our stakeholders, our communities, our customers...working with all of you in this room is a central priority for the IESO, and it is a commitment that is central to the corporate strategy that we developed with our Board of Directors last year. The IESO strives to facilitate meaningful dialogues by creating opportunities for all parties to contribute to the discussion.
- The~~To~~ achieve this, the IESO has a broad range of engagement channels and processes to ensure that our initiatives are guided by collective engagement, and reflect our evolving mandate in the sector. From the aforementioned SAC, to our technical panel, standing committees, working groups, local advisory committees, and program-focused engagements, our aim is to provide individuals and organizations with the opportunity to provide input and feedback about proposed decisions or changes that affect them.
- We are also committed to stakeholder engagement as a continuously evolving process. The IESO's Engagement Principles provide an effective framework to help guide open, transparent and meaningful opportunities for input. We also conduct annual stakeholder satisfaction surveys, to assist with continuous improvements in the way that the IESO receives and acts on input from customers, communities and stakeholders.

Context for today's discussion

- So I've mentioned the structural similarities to stakeholder forums that we've facilitated in the past, but there are also some important distinctions with today's event.
- In bringing together experts and energy leaders from across North America, our aim today is to generate discussion and hear perspectives on how *other* jurisdictions throughout the continent are approaching their own shifting energy landscapes, and the opportunities emerging to address changing sector conditions.
- As a quick primer on Ontario, our province's energy landscape has been transformed in the last 10 years or so. Over six gigawatts of installed coal-fired capacity has been retired and replaced with renewables, natural gas-fired and demand response resources.
- In our current supply mix, nuclear energy also continues to play an important role in meeting Ontario's energy needs. The IESO has renegotiated an agreement with Bruce Power to secure 6,300 MW of supply until the 2060s.
- In addition, OPG has begun the refurbishment of its units at the Darlington facility, with the first unit coming offline last October. And plans have been announced to continue the operation of the Pickering Nuclear Generating Station.

Commented [IESO2]: Given that James is speaking next, do we want to say anything about the refurbishments?

- Together, Ontario's three nuclear facilities typically produce about 60 percent of the province's electricity.
- Over the last decade, Ontarians have also saved almost 10 billion kilowatt-hours through conservation and energy efficiency, which helps to lower demand and enable the IESO to defer or avoid the need to build new infrastructure.
- While the nuclear refurbishments will ensure we continue to have a strong supply of baseload energy for decades to come, we are seeing increasing amounts of generation embedded in the distribution system. Evolutions in technology and policy are expanding opportunities for customer engagement and participation.
- Distributed energy resources are contributing to a system more characterized by two-way flows, rather than only one-way delivery from large central stations. New resources are increasingly being located closer to loads and demand centres on the lower-voltage distribution wires. We now have about 2,000 MW of solar embedded within LDC territories.
- This evolution of the distribution system to include more energy resources and a more active role for the consumer is also resulting in a need for us, as the system operator, to understand the impact of these changes on the operation of the bulk power system.
- We are working with stakeholders to develop cost-effective solutions to address these challenges, both in terms of scheduling resources, enhancing system flexibility and correcting variations in power system frequency.
- With this rapidly evolving sector, we have also seen the rise, adoption and entry of new technologies and innovations related to embedded generation, storage, conservation, and renewables.
- The provincial government has also signaled a sharp and renewed focus on cost containment and rate mitigation, as well as greenhouse gas reductions.
- This is a strategic juncture to have this type of discussion and take a look out to the future of the sector. At current levels, Ontario's electricity system is well-positioned to meet provincial needs into the 2020s, while continuing to adapt to significant change across the sector and the evolution of policy decisions.
- For example, as we look out over the longer-term, we could see higher levels of demand driven by different levels of electrification associated with policy choices on climate change.

Commented [IESO3]: Per above, maybe lead off here with something like, "While the nuclear refurbishments will ensure we continue to have a strong supply of baseload energy for decades to come, we are seeing..."

- Looking forward, the IESO will be developing an implementation plan to support the upcoming Long-Term Energy Plan and completing a mid-term review of the Conservation First Framework. This work is aimed at better preparing the IESO, and the sector generally, for the future challenges and opportunities ahead.
- Also in the years ahead, some of the IESO's efforts will fundamentally reshape the way that our electricity market functions.
- Through the market renewal program, the IESO will redesign Ontario's wholesale electricity markets to provide greater transparency, promote competition and deliver more efficient outcomes. It will really lay a foundation that will prepare us for the electricity sector of tomorrow.
- So, in a relatively short period, Ontario's supply mix has undergone a major shift, which has changed the dynamics of our electricity system.
- However, all across North America, system operators and policy makers are addressing new challenges as their supply mixes evolve.
- Given the complex interdependencies of a changing North American energy sector, the role of collaboration and shared learning is critically important.
- We hope today's session will provide a broader perspective on North America's energy sector and offer in-depth analysis on a range of emerging energy trends that are shaping the next generation of electricity systems.
- Today's agenda offers an entry point into these discussions and includes an exploration of distributed energy networks and decarbonisation from the perspective of real-time system operations, emerging electricity markets, as well as long-term system planning.
- I look forward to frank and focused discussions on these topics and more.
- I'll now hand it over to today's MC, the IESO's Rob Doyle.
- Thank you