

IESO'S IMPLEMENTATION PLAN

Presentation to the IESO's Board of Directors

October 25, 2017



Purpose

- To provide an overview of the IESO's plan for the development of its Implementation Plan due to the Minister by January 31, 2018

Context

- The next Long-Term Energy Plan is expected to be released on October 26; the IESO's Implementation Directive will be issued concurrently, which will formally kick-off the development of the IESO's Implementation Plan
 - The IESO will attend a technical briefing with ministry staff when the LTPE is launched to help address questions related to forecasts, as necessary
 - The IESO is also supporting ministry staff with the development of LTPE modules, which will be released several weeks after the LTPE
- A work plan has been developed for the IESO's Implementation Plan; the work plan includes engagement considerations and target dates, updates to the Ministry, and communications milestones
- The IESO has begun discussions with partners (OEB and Hydro One) on opportunities for coordination on directive items, where appropriate
- The IESO's Implementation Plan is due to the Minister of Energy by January 31, 2018; the Implementation Plan is subject to the Minister's approval

What is an Implementation Plan?

- Energy Statute Law Amendment Act, 2016: “...the IESO shall, within the time specified in the directive, submit to the Minister an implementation plan containing an outline of the steps the IESO intends to take to meet the requirements set out in the directive including, if the directive requires it, the development of processes for entering into procurement contracts, processes for selecting transmitters, or both.”
- Throughout the development of the Implementation Plan, the IESO will, with input from stakeholders, identify the sequencing of Implementation Directive items in order to inform implementation timelines and resource requirements
- The IESO will work to ensure its Business Plan and Implementation Plan are aligned

Implementation Plan Milestones

	Target Completion
LTEP and IESO Implementation Directive issued	October 26
Implementation Plan development engagement (see slide 7)	October 26 – December 13
ENERGY update	October 30
Board update	December 6
ENERGY update	Mid-December
Draft of Implementation Plan	January 8
ENERGY update	Week of January 15
Finalize Implementation Plan	Week of January 22
Deliver Implementation Plan	By January 31

Engagement Objectives

- Work with Stakeholder Advisory Committee, targeted stakeholders, customers and communities to:
 - Ensure understanding of context of Directive Items, and Implementation Plan scope and objectives
 - Gather input to understand priority of items, and to receive advice on approaches and expectations for Implementation Plan outcomes
- Engagement will adhere to IESO engagement principles
 - Analyze opportunities for engagement
 - Ensure inclusive and adequate representation
 - Provide effective communication and information
 - Promote openness and transparency
 - Provide effective facilitation
 - Communicate outcomes
 - Measure satisfaction

Engagement Forums and Channels

- Stakeholder Advisory Committee and other existing IESO forums depending on Directive Item
- The IESO's Aboriginal Energy Working Group (AEWG), Chiefs of Ontario and Metis Nation of Ontario
- Create an engagement presence on the public website to post material, community and stakeholder feedback and IESO response(s) to feedback
- Broadcast emails (e.g. Weekly Bulletin), targeted emails and social media
- Public Q&A document
- Meetings with stakeholders, key customers, targeted by Directive item and on request (e.g. similar to meetings held for Ontario Planning Outlook)
- Regional Forums and First Nation sessions

Target Engagement Dates

- **October 26 (LTEP launch):** post IESO Implementation Directive to web-page and launch engagement web-page
- **October 26:** communicate initiative via Weekly Bulletin and targeted emails
- **October 26-December 13:** Implementation Plan development engagement (SAC, AEWG, and other targeted groups)
- **November 29:** public SAC meeting to discuss early engagement results and to gather input on key Implementation Plan elements
- Updates on the IESO's Implementation Plan process will also be provided at the Regional Forums, taking place in October through to December

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 Item**:
 - Context
 - Scope, Objectives
 - Engagement results – what we heard
 - Key activities, estimated timelines, and expected deliverable, all informed by engagement
- **Appendices** as required
- *Approximately 15-20 pages*

Risks

- Timing of implementation directive items
 - The IESO will need to balance expectations of stakeholders, communities and government on the engagement for implementation of directive items with what is reasonable from a resourcing/workload perspective
- Coordination with key partners (OEB and Hydro One)
 - Several directive items require the IESO to work closely with key partners, and in some instances comment on their existing processes
 - Consideration of key partners' timelines may also impact the timing of implementation directive items
- Defining engagement of the IESO's Implementation Plan
 - The IESO's engagement on the Implementation Plan in Q4 2017 will focus on what steps the IESO will take to address each directive, once approved by the Minister; the IESO will not be seeking feedback on directive items, or on program specifics (i.e. the IESO is not seeking feedback on how to eliminate barriers to non-wire solutions – instead, feedback is being sought on if the IESO is taking the right steps to answer this question)

APPENDIX

IESO's Implementation Directive Items

1. Review and propose options to improve energy support programs to First Nations and Metis, with the objective of better aligning programs with community needs and interests
2. Prepare a report on options to improve conservation programs, and access to programs, for First Nations and Metis. The report timing shall be aligned with the Mid-Term Review of the Conservation First Framework
3. Work with the Ministry to develop a program 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. *UPDATED*
4. 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
5. 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
6. Develop a competitive transmitter selection or transmission procurement process that is transparent, efficient and able to respond to changing policy, market and system needs.
7. Review and report on technical criteria used to assess customer reliability in order to identify and evaluate options for local area enhancements
8. Review and report on the regional planning process, taking into account lessons learned, and provide options and recommendations.
9. Investigate power-to-gas applications that can provide benefits to the electricity system, and propose options for pilot projects that test the technical and commercial feasibility, as well as their GHG emission-reduction potential based on different end-uses of hydrogen. *NEW*

