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April 9, 2019

Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, Ontario M4P 1E4

Attention: Kirsten Wali, Board Secretary

Dear Ms. Wali:

**Re: Ontario Sustainable Energy Association's Interrogatories
IESO - 2019 Expenditure and Revenue Requirement
Board File Nos. EB-2019-0002**

Please see attached Ontario Sustainable Energy Association's interrogatories in the above-noted matter pursuant to Procedural Order No. 1, dated March 12, 2019.

Yours truly,



Matt Gardner

cc: Dan Goldberger, OSEA
Marion Fraser, Fraser & Company

Document #: 1515893

ONTARIO ENERGY BOARD

IN THE MATTER OF subsection 25(1) of the *Electricity Act*,
1998

AND IN THE MATTER OF a Submission by the
Independent Electricity System Operator to the Ontario
Energy Board for the review of its proposed expenditure
and revenue requirements for the fiscal year 2019 and
the fees it proposes to charge during the fiscal year 2019

INTERROGATORIES OF ONTARIO SUSTAINABLE ENERGY ASSOCIATION (“OSEA”)

April 9, 2019

ISSUE 5.0 COMMITMENTS FROM PREVIOUS OEB DECISIONS

(ISSUE 5.1) OSEA IR 1

Reference: Exhibit C, Tab 1, Schedule 1, Attachment 1

Preamble: In the Explanation of Scorecard Measures tab of the 2019 IESO Regulatory Scorecard, the IESO states “Engaging stakeholders and communities is an integral part of the IESO decision-making process – helping transform the sector for the benefit of all. As a result, the IESO has an extensive stakeholder engagement program reaching out to communities, market participants, sector stakeholders and the public at large.”

- a) As part of this engagement program, has the IESO engaged with small generators to inquire about and understand how the IESO may assist small generators to implement more distributed energy resources?
- b) If yes, please provide details of IESO’s engagement with small generators.

(ISSUE 5.1) OSEA IR 2

Reference: Exhibit C, Tab 1, Schedule 1, Attachment 1

Preamble: In the 2019 IESO Regulatory Scorecard, the IESO mandates a target of 8.7 terawatt-hours (TWh) of energy savings through the Conservation first Framework (CFF) and Industrial Accelerator Program by 2020. The IESO also states in the Scorecard that the cumulative 2019 target is 7.25 TWh.

- a) Please advise how much under budget the IESO currently is to-date for the CFF and Industrial Accelerator Program.
- b) Please provide details about how the IESO plans to meet the remainder of its 2020 TWh target.
- c) Please advise if IESO is projecting to spend the total budget for Conservation First Framework programs for 2019? 2020?
- d) Given the recent announcement by the Provincial Government that some CDM programming will be transferred from LDCs to be administered and delivered now by the IESO:
 - i. Does the IESO have an expectation about the timing of this redistribution of CDM administration/delivery from LDCs to the IESO?
 - ii. Does the IESO expect that this will impact the IESO's expenditures and revenue requirements for 2019? If yes, please explain how. If not, please explain why not.
 - iii. What work is the IESO doing to prepare for this change?

(ISSUE 5.1) OSEA IR 3

Reference: Exhibit C, Tab 1, Schedule 1, Attachment 1 (Management Discussion and Analysis); Exhibit A, Tab 3, Schedule 1 (2018 Annual Report)

Preamble: In the 2019 IESO Regulatory Scorecard, the IESO identifies the following performance measure: "Key initiatives from the 2017 Long-Term Energy Plan are progressing on time and budget". In the Management Discussion and Analysis Tab of the Scorecard, the IESO lists its initiatives from the 2017 Long Term Energy Plan. Key Initiative 1 for 2018 is: "Development of options to improve First Nation and Métis energy support programs."

In the 2018 Annual Report, the IESO states that it hosted a First Nations Energy Symposium in 2018.

- a) What options has the IESO developed to date to improve First Nation and Métis energy support programs?
- b) Has the IESO commenced pilot study/studies to assess options to meet this key initiative?
 - i. If so, what progress has the IESO made in its pilot study/studies?
 - ii. If so, are there any preliminary results?

- c) Please provide details of the key outcomes and results from the First Nations Energy Symposium in 2018, and any action items.

(ISSUE 5.1) OSEA IR 4

Reference: Exhibit C, Tab 1, Schedule 1, Attachment 1 (Management Discussion and Analysis)

Preamble: In the 2019 IESO Regulatory Scorecard, the IESO identifies the following performance measure: “Key initiatives from the 2017 Long-Term Energy Plan are progressing on time and budget”. In the Management Discussion and Analysis Tab of the 2019 IESO Regulatory Scorecard, the IESO lists its initiatives from the 2017 Long Term Energy Plan.

Key Initiative 3 for 2018 is to “Develop a program to support renewable distributed generation demonstration projects - By the end of 2018, engage on investigation topics, draft project selection and funding agreement documents for engagement, issue call for first investigation topic and announce successful projects. This process may continue into 2019 with further investigation topics.”

- a) The IESO notes that this initiative was re-prioritized in 2018.
 - i. When does the IESO intend on completing this initiative?
 - ii. Why was this initiative re-prioritized?
- b) How much progress has IESO made in developing a program(s) to support renewable distributed generation demonstration projects?
- c) Has the IESO taken any of the steps listed above, i.e. engaged on investigation topics, drafted project selection and funding agreement documents for engagement, issued a call for first investigation topic and announced successful projects?
 - i. If so, what are the results?
 - ii. If not, why not? When does IESO expect to complete the steps listed above?
- d) Describe the investigation topics and successful projects resulting from this program to date.
- e) What investigation topics does the IESO intend to pursue in 2019?
- f) In its 2019-2021 Business Plan, the IESO states that one of its annual corporate targets is “Implementation of the emerging technology, research and development plan for electricity sector innovation for work streams, including distributed

energy resources, storage and data access, resource efficiency (e.g., automation, artificial intelligence) and achieve milestones identified for 2019”.

- i. Please advise of the progress that IESO has made to-date in implementing the research and development plan for distributed energy resources and energy storage.

(ISSUE 5.1) OSEA IR 5

Reference: Exhibit C, Tab 1, Schedule 1, Attachment 1 (MDA)

Preamble: In the Management Discussion and Analysis Tab of the 2019 IESO Regulatory Scorecard, the IESO lists its initiatives from the 2017 Long Term Energy Plan.

Key Initiative 2 for 2018 is “Report produced on Indigenous Conservation programming.”

- a) Please produce this report and provide any subsequent updates to the IESO’s work completed relating to this Key Initiative 2 since this report was published.

(ISSUE 5.1) OSEA IR 6

Reference: Exhibit C, Tab 1, Schedule 1, Attachment 1 (Management Discussion and Analysis)

Preamble: In the Management Discussion and Analysis Tab of the 2019 IESO Regulatory Scorecard, the IESO lists its initiatives from the 2017 Long Term Energy Plan.

Key Initiative 4 for 2018 is to “Identify potential obstacles to fair competition for energy storage and where appropriate, propose mitigation strategies – By the end of 2018, engage to identify obstacles and develop mitigation strategies on obstacles that are found to be inappropriate, report on obstacles and mitigation strategies.”

- a) When does the IESO intend on completing this initiative?
- b) What progress has IESO made in identifying obstacles for fair competition for energy storage and developing mitigation strategies?
- c) What are the results of this work?
- d) What steps remain to be completed in 2019 regarding this initiative?

(ISSUE 5.1) OSEA IR 7

Reference: Exhibit C, Tab 1, Schedule 1, Attachment 1 (Management Discussion and Analysis)

Preamble: In the Management Discussion and Analysis Tab of the 2019 IESO Regulatory Scorecard, the IESO lists its initiatives from the 2017 Long Term Energy Plan.

Key Initiative 5 for 2018 is to “Identify options for pilot projects that evaluate using electricity to create hydrogen - By the end of 2018, undertake market research, draft and issue a request for expression of interest and identify options for pilot projects.”

- e) The IESO notes that this initiative was re-prioritized in 2018.
 - i. When does the IESO intend on completing this initiative?
 - ii. Why was this initiative re-prioritized?
- f) What progress has IESO made in identifying options for pilot projects that evaluate using electricity to create hydrogen?
- g) Has the IESO taken any of the steps listed above, i.e. undertake market research, draft and issue a request for expression of interest and identify options for pilot projects?
 - i. If so, what are the results?
 - ii. If not, why not? When does IESO expect to complete the steps listed above?
- h) Has the IESO undertaken any feasibility studies on using electricity to create hydrogen?

(ISSUE 5.1) OSEA IR 8

Reference: Exhibit A-2-2, Tab 1, Schedule 1, page 12 (IESO’s 2019-2021 Business Plan)

Preamble: The IESO states in its 2019-2021 Business Plan that the IESO anticipated delivering to the OEB its third-party access implementation plan regarding smart meter data by the end of 2018.

- a) Has the IESO delivered this plan to the OEB? If not, when does the IESO intend to submit it?
- b) Please provide a copy of the plan.

(ISSUE 5.1) OSEA IR 9

Reference: IESO's "Indigenous Conservation Programming: A New Approach" report dated March 2018.

Preamble: The IESO states in the above report at page 12 that "Participants wanted to know more about how to access funding for renewable energy equipment and/or microgrids. They asked if the IESO could partner with financial institutions, or other agencies to advise them about how to plan financially for these types of small-to medium-sized projects; for large projects, they were interested in knowing how to obtain loan guarantees."

- a) What engagement did the IESO have with participants in response to these inquiries about renewables, distributed energy and net metering?
- b) What initiatives is the IESO undertaking or planning to undertake in response to these inquiries?
- c) If there are written materials provided to participants on this subject, please provide same.

(ISSUE 5.1) OSEA IR 10

Reference: Exhibit A, Tab 3, Schedule 1 (IESO's 2018 Annual Report).

Preamble: The IESO states in its 2018 Annual Report at page 7 that "in 2018 the IESO struck an Energy Storage Advisory Group, which identified barriers to the fair competition of energy storage in the province's electricity markets. The resulting report – *Removing Obstacles for Storage Resources in Ontario* – outlined a series of recommendations for electricity market, regulatory and policy change aimed at establishing a level playing field for this increasingly important and versatile resource."

- a) How are the IESO and its Energy Storage Advisory Group implementing the recommendations set out in the IESO's *Removing Obstacles for Storage Resources in Ontario* report?
- b) What is the timing for these steps to be taken to implement these recommendations?