

Meeting Notes

Integrated Resource Planning Technical Working Group (EB-2021-0246)

Working Group Meeting #2

Meeting Date: February 15, 2022 Time: 2:00 p.m. - 4:00 p.m.
Location: MS Teams

Attendees

IRPTWG Members	Role
Michael Parkes	OEB staff representative (Working Group chair)
Stephanie Cheng	OEB staff representative
Chris Ripley	Enbridge Gas representative
Amrit Kuner	Enbridge Gas representative
Amber Crawford, Association of Municipalities of Ontario	Non-utility member
John Dikeos, ICF Consulting Canada Inc.	Non-utility member
Tammy Kuiken, DNV	Non-utility member
Cameron Leitch, EnWave Energy Corporation	Non-utility member
Chris Neme, Energy Futures Group	Non-utility member
Dwayne Quinn, DR Quinn & Associates Ltd.	Non-utility member
Kenneth Poon, EPCOR Natural Gas LP	Observer
Steven Norrie, Independent Electricity System Operator	Observer

Additional Attendees	Role
Valerie Bennett	OEB staff

Regrets

IRPTWG Members	Role
Jay Shepherd, Shepherd Rubenstein Professional Corporation	Non-utility member

Purpose

These notes summarize the information discussed during the working group (WG) meeting on each of the key points presented in the published materials.

Meeting Agenda

1. Preliminary matters (OEB staff)
2. Discussion of annual IRP report and IRP pilots (Enbridge)
3. Discussion of next steps on economic evaluation of IRP alternatives (OEB staff)

1. Preliminary Matters

Item Description	Discussion Comments/Outcome	Action Items
<p>Meeting #1 Notes OEB staff asked if there were any comments on meeting #1 notes.</p>	<p>There were no comments on meeting #1 notes. Therefore, the notes are accepted by working group members.</p>	<p>OEB staff to post meeting #1 notes on IRP webpage.</p>
<p>Final Terms of Reference (ToR) OEB staff indicated that the OEB had approved a final ToR, and described the changes made in response to WG member comments on the draft ToR discussed at meeting #1, in particular, changes to the confidentiality and participant cost sections</p>	<ul style="list-style-type: none"> • WG members asked for clarity on provision in confidentiality section for Enbridge to request that specific members not participate in discussion of matters of a “commercially sensitive nature” • OEB staff clarified that the intent of the statement was to address the possible circumstance of a WG member gaining a real or perceived commercial advantage if participating in discussion of specific Enbridge projects. • Enbridge also indicated that it may request confidential treatment of materials containing customer data or providing information on active applications before the OEB. • Questions on confidentiality can be further discussed (as needed) as specific circumstances arise. • OEB staff will proceed to draft a confidentiality agreement for WG members to sign if they wish to view confidential materials. 	<p>OEB to issue the final ToR. OEB staff to draft a confidentiality agreement for the WG.</p>

2. Discussion of Annual IRP report and IRP pilots

Item Description	Discussion Comments/Outcome	Action Items
<p>Annual IRP Report Enbridge provided an update on the contents and proposed timeline of the IRP annual report.</p> <p>Enbridge noted that the report would largely cover the topics as described in the IRP decision but some aspects (e.g. results of approved IRP Plans) will not be relevant to the initial report. Once IRP Plans are in place, Enbridge will monitor and report on results.</p> <p>Tentative Timelines:</p> <ul style="list-style-type: none"> Enbridge plans on having the annual report drafted by April 2022. WG members will have 2 rounds of review and comments throughout April and May, prior to Enbridge's finalization of the annual report for submission to OEB by end of May 2022 as part of its DSMVA application. OEB staff will submit a report of the WG's activities on behalf of the WG in the same proceeding as Enbridge files its annual IRP report. 	<p>Contents of Annual Report:</p> <ul style="list-style-type: none"> Some WG members expressed an interest in knowing the principles and process by which Enbridge will refine its list of system needs to prioritize and identify proposed IRPAs that will be included in the asset management plan (AMP), and having an opportunity for the WG to provide input on this process (e.g. through the annual IRP report review) prior to Enbridge filing its rebasing application. Enbridge indicated that there will be a section in the annual IRP report discussing the integration of IRP into AMP, but that this issue (and specifics of projects in the AMP) would be addressed in the AMP to be filed with the rebasing application in November 2022, and properly considered in that application. WG members noted that the "IRPA template" referenced in Enbridge's materials is missing. Enbridge will bring this to the next WG meeting. <p>Timeline of Annual Report:</p> <ul style="list-style-type: none"> WG members and OEB staff noted the initial review of the draft IRP annual report will require more time than the secondary review. Enbridge agreed to adjust timelines by providing 2 weeks for preliminary review and 1 week for secondary review. WG will give further thought as to approach to submitting WG comments (e.g. whether an attempt at consensus should be made). The proposed timeline for drafting the WG's report was adjusted to May 15 – 31, to allow for any reply to Enbridge's final annual IRP report. 	<p>Enbridge will take WG comments into consideration when drafting the content of the annual report</p>



<p>IRPA Pilots Enbridge provided an update on their progress in evaluating potential pilots and requested guidance/ input from WG members on the following matters:</p> <ol style="list-style-type: none"> 1) Objective of the pilots 2) Proposed Timeline 3) Potential IRPAs of interest and the selection process 	<p>Objective WG members generally were of the view that Enbridge’s proposed objective for the pilots (“Determine how an IRPA can impact peak hour and peak demand to avoid, delay or reduce the need for future infrastructure”) was directionally correct but framed too narrowly.</p> <p>One proposed rewording was to “Improve understanding of how to design, deploy and evaluate IRPAs that cost effectively delay or avoid the need for future infrastructure spending.”</p> <p>Timeline Members did not express any concerns with Enbridge’s proposed timeline for the pilots.</p> <p>Potential IRPAs of interest to WG/ Selection Process:</p> <p>There were varying views on the technologies of interest when selecting the 2 IRPA pilots:</p> <ul style="list-style-type: none"> • Some members proposed one demand side IRPA (e.g. geotargeted enhanced targeted energy efficiency (ETEE) or gas demand response) and one supply side IRPA (e.g. compressed natural gas, renewable natural gas) • Some members felt that there may be less new information that can be learned from supply-side IRPAs and that demand-side IRPAs should be prioritized in the pilots (although supply-side IRPAs may still have a role in the AMP). <p>Members discussed what gas demand response might look like in the Ontario context, and how it interacted with efforts to improve uptake of interruptible rates. There was general agreement that (among demand-side options), ETEE might be more promising than gas demand response, but that neither option should be ruled out. Members also noted that one pilot could potentially include multiple IRPAs.</p> <p>Enbridge was encouraged to make use of</p>	<p>Enbridge will return with more detailed materials on pilots for WG consideration, including more specifics of pilot proposals.</p>
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	<p>learnings from its previous Ingleside ETEE pilot, and IRP efforts in other jurisdictions, including Con Ed's performance-based and direct load control gas DR programs and market-based RFPs for non-pipeline solutions.</p> <p>In addition to specific types of IRPAs, members made additional suggestions regarding the IRPA selection process, including:</p> <ul style="list-style-type: none">• Whether we have the ability and technology to collect good data on the IRPA selected• Identifying where information gaps are and focusing IRPAs in that area while leveraging relevant and existing learnings from other jurisdictions• IRPAs should not be restricted to a specific customer class (i.e. residential or industrial) as there have been successful pilots for both classes in other jurisdictions• Interruptible rates should not be ruled out due to low uptake to date, since there could be improvements made to increase consumer buy in. Need to understand what changes customers are seeking in order to decipher what changes will be successful• Cost-effectiveness is important but there are other factors to consider before eliminating potential pilots from consideration. This includes the 5 factors brought forth in the first WG meeting:<ol style="list-style-type: none">1) Mix of customers (residential, commercial, industrial, etc.)2) Areas requiring upgrade3) Needs where load reduction is within reasonable target range and need is several years out (sufficient lead time to implement and evaluate IRP alternatives)4) Potential for transferrable learnings5) Proof of concept/ scalability	
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3. Discussion of next steps on economic evaluation of IRP alternatives

Item Description	Discussion Comments/Outcome	Action Items
<p>OEB staff described the IRP decision's findings on the economic evaluation of IRP alternatives, including the 3 phases of the Discounted Cash Flow-plus (DCF+) test, then proposed an approach for the WG's role in contributing to guidance on an enhanced DCF+ test, which will ultimately be filed for OEB approval for Enbridge.</p>	<ul style="list-style-type: none"> • Members generally agreed with the considerations identified by OEB staff in developing guidance for the DCF+ test. • Concerns were raised about Enbridge's approach to summing the 3 phases of the DCF+ test, and it was suggested that the test should include a combined look at all 3 factors, but not sum these factors. Members also suggested that the potential to make minor changes to the categories of benefits and costs proposed by Enbridge for each of the 3 phases should be kept open for further consideration. • Process-wise, members expressed a preference for further dialogue on DCF+ test enhancements and components during WG meetings, prior to providing any written suggestions for Enbridge's consideration. 	<p>Chris Neme will share his perspective on DCF+ test guidance at a future meeting (likely meeting #3).</p> <p>Other WG members are encouraged to review the first 2 sources forming the foundation of the DCF+ test (as per OEB meeting materials) and to look at additional resources (e.g. NSPM and Con Ed BCA Handbook), in order to participate in discussion.</p>

List of Action Items

Action Item	Assignment/ Owner	Due Date
Circulate summary of meeting #2 outcomes	OEB staff	As soon as possible
Issue Terms of Reference	OEB staff	Completed (Issued February 17, 2022)
Draft Confidentiality Agreement for WG members	OEB staff	As soon as possible
Provide draft annual IRP report for WG consideration	Enbridge Gas	Likely April 2022
Return with more detailed materials on pilots for WG consideration, including more specifics of pilot proposals	Enbridge Gas	For future working group meetings
Discuss guidance on DCF+ test	Chris Neme, all WG members	Future working group meeting(s) (likely meeting #3)
Establish agenda for meeting #3	OEB staff (with input from Enbridge Gas)	Prior to meeting #3