



## **Local Electricity Market Pilot Coming to Essex County: IESO, OEB and Essex Powerlines Support Community Participation in Ontario's Electricity Grid**

*Local businesses to play a role in meeting southwest Ontario's growing electricity needs*

Oldcastle, Ontario - March 30, 2022 – To meet growing energy needs in southwest Ontario, the Independent Electricity System Operator (IESO) and the Ontario Energy Board (OEB) are working with Essex Powerlines, NODES, Essex Energy and Utilismart on a market pilot to tap into local energy supplies in Leamington.

This project will implement a near real-time, local electricity market for Essex Powerlines customers who can supply electricity or reduce electricity use on demand to support system reliability. This will help address constraints on the local distribution network and potentially also reduce provincial needs.

"This project is just one example of how we can change the way we think about producing, managing and consuming electricity," says Lesley Gallinger, President and CEO of the IESO. "It builds on our experience in York Region where local businesses and consumers participate in a local electricity market to reduce peak demand in the area. This type of approach can also be part of the solution to meet needs in Essex County."

The OEB Innovation Sandbox is providing customized guidance describing how Essex Powerlines can proceed with this project and test an innovative business model.

"We are pleased that the OEB Innovation Sandbox has enabled this project to advance," says Susanna Zagar, CEO of the OEB. "By working together, we can really move the needle on the energy transition. This kind of work provides insight into emerging challenges in a rapidly changing sector – and supports regional solutions that can tackle those challenges."

"I am very proud that Essex Powerlines and our partners, are collaborating with the Ministry of Energy, IESO and OEB, leading the way to define the future of utilities not only in Ontario, but across North America," says John Avdoulos, President and CEO of Essex Power Corporation. "This initiative will enable power system flexibility, adaptive

infrastructure and most importantly customer choice, which addresses the many challenges we face.”

The Essex County Local Electricity Market Pilot will build on learnings from a similar initiative in York Region, taking it one step further. Through this local electricity market, Essex Powerlines will engage with commercial businesses, manufacturers and local organizations to help reduce local peak demands by directing them to either provide electricity on site or reduce their electricity use. It will also look at ways to coordinate the use of these resources at both local and provincial grid levels and the potential to help defer or reduce future transmission needs.

Southwest Ontario is experiencing tremendous economic growth which is expected to increase electricity demand from 500 MW to 2,300 MW by 2035. A multi-pronged approach to address needs is underway in this area, including upgrades to existing transmission infrastructure, new transmission lines, as well as funding energy efficiency and innovative projects.

“With our government’s significant focus on reducing the cost of business, Southwestern Ontario has seen significant new investments and job growth. Pilots like this one will ensure families and businesses continue to benefit from Ontario’s clean, affordable, reliable and sustainable electricity grid by enabling customers and businesses in the Leamington area to have flexibility and control over their local energy needs,” said Todd Smith, Ontario Minister of Energy.

Since its inception in 2005, the IESO's Grid Innovation Fund has supported more than 260 projects, taking innovative ideas from the sector that can enhance reliability, sustainability and resiliency of the provincial electricity system. A third-party analysis of 27 past innovation projects showed that if those technologies were adopted more widely across the province, they could provide customer savings of half a billion dollars on an annual basis.

The OEB Innovation Sandbox enables innovators to better understand regulatory requirements. Where necessary, it clears a pathway for projects to proceed on a trial basis where there is potential to provide value to consumers.

### **About the Independent Electricity System Operator**

The IESO operates Ontario’s power grid 24 hours a day, 365 days a year, ensuring Ontarians receive a reliable and cost-effective source of power when and where they need it. It works with sector partners and engages with communities across Ontario to plan and prepare for the province’s electricity needs now and into the future.

## **About the Ontario Energy Board**

The OEB is the independent regulator of Ontario's electricity and natural gas sectors. It protects the interests of consumers and supports the collective advancement of the people of Ontario. Its goal is to deliver public value through prudent regulation and independent adjudicative decision-making which contributes to Ontario's economic, social and environmental development.

## **About Essex Powerlines Corporation**

Essex Powerlines Corporation is a regulated electricity distribution company operating in the Town of Amherstburg, Town of LaSalle, Municipality of Leamington, and Town of Tecumseh. Essex Powerlines has just over 30,000 customers, representing 27,000 residential customers and over 5,000 small and large commercial customers.

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### **IESO Media Relations**

416-506-2823

### **OEB Media Relations**

416-544-5171