



**APPRO**

ASSOCIATION OF  
POWER PRODUCERS  
OF ONTARIO

**NEWSLETTER**

APPRO news

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## APPRO update for members

The industry's monthly bulletin featuring updates, briefings, links and resources from the Association of Power Producers of Ontario.

## Noteworthy News:

### **APPRO President Dave Butters Moderates Electricity Forum Panel**

In late January, APPRO President Dave Butters moderated a panel for the Northwinds Electricity Invitational conference. The topic was the current and future role of nuclear power in Ontario, and Canada (A New Dawn for Nuclear Energy?) Panelists included representatives from OPG, Bruce Power, the CNA, a Gen IV nuclear reactor engineering company, and a lawyer well-versed in the issues.

The session focussed on lessons learned from past developments and operations of nuclear generation, and consideration of new nuclear generation as an essential part of the solution to help meet net-zero and supply needs.

### **Oneida Energy Storage Project Update**

Following a directive from the Minister of Energy, the IESO recently finalized a 20-year agreement with Oneida Energy Storage LP. The 250-megawatt (MW) storage project is being developed in partnership with the Six Nations of the Grand River Development Corporation, APPRO member Northland Power, NRStor and Aecon Group and is expected to be operational in 2025.

### **SAC Releases Challenge Statements to Wrap Up 2022**

Members of the IESO's Stakeholder Advisory Committee (SAC) formed working groups last year to address challenges and opportunities within key areas of interest and

importance to Ontario's electricity sector. Discussions during the public SAC meetings helped refine those reports which were shared earlier this year with the IESO Board of Directors and executive leadership team to wrap up the year's work.

APPrO President Dave Butters lead the "Resource Adequacy" Challenge Statement team, and was a member of the "Urgency and Timing of New Resources" team. This collaborative effort to provide strategic policy-level advice to the IESO Board and executive team, bringing input from constituencies across the sector to ensure diverse and balanced views are incorporated into those discussions, will continue in 2023.

Please visit the [SAC webpage](#) to review the 2022 SAC Challenge Statements

## **APPrO Involved in Two Major Enbridge OEB Hearings in 2023**

APPrO has been approved as an intervenor in both the Enbridge Panhandle Regional Expansion Project (EB-2022-0157) and the Enbridge Gas Distribution 2024 Rebasing and IRM (EB-2022-0200). The former is an application by Enbridge Gas Inc. for an order granting leave to construct natural gas pipelines in the Municipality of Chatham Kent and Essex County which is important to several APPrO members, and the later includes rate harmonization, and other related issues such as cost of service components such as capital expenditures, revenue forecasts, operating costs, cost of capital, equity thickness, incentive rate mechanism (IRM) and rates and services harmonization post Union-Enbridge merger. The Panhandle Hearing is currently in abeyance, which the Rebasing Hearing continues through the Interrogatory process.

## **Made-in-Ontario northern hydroelectric opportunities**

OPG recently reported on Ontario's untapped hydroelectric potential, at the request of the Minister of Energy.

The report notes that the "need to electrify sectors of the Ontario economy, such as the transportation sector, and to meet demand driven by population and economic growth, will put pressure on the system beginning 2029 or sooner. By 2040, without continued availability of existing resources (renewal of expiring contracts), there could be a gap of 70 TWh, or 35%, of required energy supply..."

The report estimates that the hydroelectric potential in northern Ontario is 3,000 - 4,000 MW. This does not include potential resources in Southern Ontario or other incremental potential associated with existing hydroelectric stations, water management infrastructure or pumped storage. OPG notes that all these resources remain available to expand the system as electrification creates need.

The full report can be read here: [Made-in-Ontario northern hydroelectric opportunities](#)

## **Government of Ontario Announces Plans to Develop a Hydrogen Innovation Fund**

As hydrogen becomes more prominent in conversations about the future energy supply mix, the Ontario government has announced the creation of a three-year, \$15 million Hydrogen Innovation Fund. The fund, to be administered by the Independent Electricity System Operator (IESO), is intended to kick-start the development of hydrogen opportunities that can be integrated into the Ontario electricity system.

The Fund will support projects across three streams:

- Existing facilities already built or operational and ready to evaluate how hydrogen can support the Ontario grid;
- New hydrogen facilities not yet constructed but could be in-service by a specified date to demonstrate how hydrogen can support the grid; and
- Research studies investigating the feasibility of novel applications of hydrogen or support future hydrogen project decision making.

The IESO is expected to open up the funding application process in April, with existing projects to commence by Q4 2023 and new projects to commence by Q2 2025.

## **Ministry of Energy Requests Feedback on Pathways to Decarbonization Study**

On December 15, 2022, the IESO released the “Pathways to Decarbonization” (P2D) study. The Ministry of Energy is now seeking feedback through the Environmental Registry of Ontario on the findings of the P2D study in this consultation and in particular, the IESO’s “no-regret” recommendations. The comment period is February 13-May 14 (90 days). The full proposal can be found at [ERO P2D Feedback](#)

The Ministry notes that the “IESO’s report provides “no-regret” recommendations that reflect the scope and magnitude of the effort needed to support an orderly energy transition while maintaining a reliable and affordable electricity system for Ontarians.”

These recommendations from the IESO include:

- The acceleration of current efforts to acquire new non-emitting supply, including the implementation of recent conservation and demand management directives.
- Beginning the planning and siting work for new nuclear, long-duration storage and waterpower facilities, as well as transmission infrastructure, to allow for faster implementation.
- Innovation and investment in low carbon fuels, such as clean hydrogen, as they are untested at scale. Further work and investment are needed to determine if they can replace some of the flexibility that natural gas currently provides the system.
- Galvanizing collaboration amongst stakeholders, including Indigenous communities.
- Ensuring that regulatory, approval and permitting processes are ready to manage future investment at scale.
- Establishing an open, transparent and traceable process to measure progress and demonstrate the results of decisions and actions taken along the way.

APPrO is forming a Working Group to develop a submission.

## **2023 Annual Acquisition Report**

On February 23, the IESO presented objectives and anticipated topic areas of the 2023 AAR and in order to seek input on the future participation of existing resources.

The presentation notes that previous AARs covered an outlook period of 10 years.

The 2023 AAR will extend the outlook period to 2035 (12 years), which aligns with the

timeframe considered in the P2D study and provides stakeholders with a longer look-ahead period, something many have sought recently.

Additionally this AAR will provide further focus on 2022 APO identified uncertainties that could influence the outlook on capacity and energy adequacy. One significant uncertainty is the future participation of existing resources. The IESO notes that NERC's 2022 Long-Term Reliability Assessment (LTRA) "cites the importance of managing the pace of generation retirements and cautions attention to resulting resource mix reliability attributes". As a result, the IESO intends to consider in its analysis that some resources exit the market.

Comments were due March 9 and submissions will likely be available shortly, here: [Annual Acquisition Report 2023](#)

## **Bruce Power begins Unit 3 Major Component Replacement outage**

Bruce Power's Unit 3 was removed from service March 1 to begin its Major Component Replacement (MCR) outage. The refurbished unit is scheduled to come back online in 2026 and will provide clean, reliable power for the people of Ontario for decades to follow.



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## **Resources:**

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APPrO is a provincial non-profit corporation established to promote the interests of Ontario electricity generators within a truly open and competitive power industry.

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