

IESO Demonstration Project to Test Ontario's First Local Electricity Market

The Independent Electricity System Operator (IESO) is launching Ontario's first ever local electricity market in York Region, with support from Alectra Utilities and Natural Resources Canada, in an effort to save costs and find affordable alternatives to building new transmission infrastructure.

The local electricity market will allow resources like solar panels, energy storage, and consumers capable of reducing their electricity use to compete to be available during periods of high demand. Leveraging existing local resources could help avoid the need to invest in new transmission lines and stations, while competition will drive down costs.

"When we're out talking to communities, one common theme we hear is a desire to have more choice in how their electricity needs are met," says Terry Young, Vice-President of Policy, Engagement and Innovation at the IESO. "This pilot will help us learn if we can enable that choice while also reducing costs for Ontarians".

Resources connected to local distribution networks, known as distributed energy resources (DERs), are increasing across North America and currently make up about 10 per cent of Ontario's electricity capacity. This is changing the dynamic of power systems, which have traditionally relied on large generators transmitting power across long distances into communities and homes.

"We're excited to join the IESO and Natural Resources Canada in championing innovation, embracing leading-edge technologies and shaping the energy future of our customers and our communities," said Brian Bentz, President and CEO, Alectra Inc. "This project will help us better understand the potential of using distributed energy resources in place of traditional infrastructure by evaluating them in real-world applications."

Electricity demand in York Region is expected to grow and exceed system capability in the next 10 years, making it an ideal location to test how DERs can provide affordable alternatives to building new transmission infrastructure.

A key learning from this pilot will be how local electricity markets can be integrated with the provincial electricity market. Ontario's provincial electricity market is currently being renewed to increase competition, including through the use of capacity auctions beginning in December.

Funding for the demonstration comes from the IESO's Grid Innovation Fund and Natural Resources Canada's Smart Grid Program. Alectra will help deliver the pilot program, which is expected to launch in Q2 2020.

About the IESO

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. Visit www.ieso.ca for more information.

About Alectra

Serving more than one million homes and businesses in Ontario's Greater Golden Horseshoe area, Alectra Utilities is now the largest municipally-owned electric utility in Canada, based on the total number of customers served. We contribute to the economic growth and vibrancy of the 17 communities we serve by investing in essential energy infrastructure, delivering a safe and reliable supply of electricity, and providing innovative energy solutions. Our mission is to be an energy ally, helping our customers and the communities we serve to discover the possibilities of tomorrow's energy future.

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