

Final Engagement Summary Report

Date: January 2021

Expanding Participation in Operating Reserve and Energy

Engagement Initiated: May 2020

Engagement Description:

The IESO is continually striving to increase competition to drive more efficient outcomes and improve system reliability. Through various forums, stakeholders have indicated their interest in further participation in the IESO-administered markets, providing greater competition while enabling new revenue streams.

As the supply mix continues to evolve, the IESO has a need for a greater quantity and diversity of resources that can competitively provide Operating Reserve (OR) to maintain reliability of the system. OR is standby supply that the IESO can quickly call upon in the event of an unexpected mismatch between generation and consumption and is co-optimized with energy, requiring resources to be enabled to participate in both energy and OR.

In order to explore potential market development options to enable further resource participation in the OR and energy markets, the IESO launched the Expanding Participation in Operating Reserve and Energy (EPOR-E) as an initiative within the IESO's Market Development Advisory Group (MDAG). In 2019, enabling greater participation through the EPOR-E initiative was identified as a priority initiative for the 2020 MDAG work plan. On April 2, as part of an MDAG webinar, the IESO presented the scope of work and first phase of this project, detailing the IESO requirements for participation in the energy and OR markets. Due to the detailed nature of this initiative and its high priority as identified by stakeholders, the IESO launched this as a separate stakeholder engagement in May 2020.

Engagement Objective:

The objective of this stakeholder engagement was to assist the IESO in identifying high-value projects that would increase participation in the OR and energy markets.

Through this engagement, the IESO looked to solicit feedback from stakeholders on:

- The review of requirements and participation models for OR and energy market participation and how they align with the design and limitations of different resource types
- Identifying options that can be developed to align market participation requirements and the limitations of resources types that are identified
- Evaluating the identified options in order to identify high-value opportunities for market changes

Engagement Approach:

This stakeholder engagement was a public engagement process and was conducted in accordance with the IESO's approved [engagement principles](#). The approach for this engagement initiative included opportunities to provide input through various channels such as in-person meetings, webinars, and written feedback. All materials, including feedback and commentary from stakeholders, and IESO responses to feedback was posted on the dedicated IESO engagement webpage for this initiative.

Conclusion:

Stakeholders actively participated and provided feedback throughout the EPOR-E research initiative which contributed to the scoping, prioritization and execution of this engagement. Before this initiative was launched as a separate engagement, stakeholder feedback received from MDAG members through in-person MDAG meetings and written feedback submissions supported the scoping of this research initiative and its prioritization as part of the 2020 MDAG work plan. As part of the scoping of this initiative, stakeholder feedback was used to determine the technologies and resource types that would be explored. At the April 2 MDAG webinar, the IESO presented a comprehensive overview of the requirements to participate in the energy and OR markets and where misalignments were identified between those requirements and the participation models of the resource types and technologies being investigated. Following the April 2 MDAG webinar, stakeholders provided feedback through written submissions and individual teleconferences that provided valuable insights into how adjustments could be made in Ontario to overcome the misalignments, including providing information on practices used in other jurisdictions. The IESO responded to this feedback in a document that was posted to the engagement webpage in September 2020. The IESO has posted an EPOR-E report on the engagement webpage that summarizes the research into current participation requirements and participation models of the EPOR-E resource types/technologies and documented misalignments between the two based on this research and stakeholder feedback.

Since the launch of this engagement, feedback from stakeholders has encouraged the IESO to expedite the process of enabling greater resource participation in the IESO-administered markets (IAMs). Supported by this input, the IESO intends to revise its engagement approach and expedite the establishment of a concrete work plan to enable emerging and evolving resource types. This work plan will build on EPOR-E research conducted through this engagement and bring together learnings from other engagement forums, such as the Innovation and Sector Evolution White Paper Series, Energy Storage Advisory Group, and Demand Response Working Group. The IESO will introduce the details of work plan in the first quarter of 2021, along with related engagements.

This concludes the EPOR-E stakeholder engagement. Thank you to all stakeholders for your participation. All materials including the EPOR-E report will continue to be available on the IESO website under [Completed Engagements](#).