Incremental Capacity Auction (ICA) – *Technical Session for LDCs*

Webinar: August 29, 2018

Date Submitted: *2018/09/18*	**Feedback provided by:** Company Name: ENWIN Utilities Ltd Contact Name: Phone: Email:

The IESO held a technical webinar for Local Distribution Companies on the Incremental Capacity Auction on August 29, 2018.

In order to maximize the effectiveness of this stakeholder engagement process, the IESO requests that stakeholders use the template below to provide feedback on content presented as follows:

- Provide responses to the questions posed
- For options presented, indicate your preference along with applicable rationale/supporting arguments (reference slide numbers where applicable)
- Identify any aspects that you believe require further elaboration or discussion

Please provide feedback by **September 21, 2018** to **engagement@ieso.ca.** Feedback received will be summarized and will help inform further discussions at future stakeholder engagement meetings.

Topic	Questions	Stakeholder Feedback
Deliverability *Slides 7-11*	Does the CIA, or any other practice, ensure that the full capacity of a distribution connected resource can be injected at any time? *If no*, please explain the circumstances when the full capacity of a distribution connected resource cannot be injected, and how this is managed.	Generally, yes. The CIA will reserve capacity to inject generation both on the distribution feeder and at the transformer station – which is commonly a Hydro One asset. However, there may be times when the distribution system is in an off-normal configuration for load, construction or contingency reasons. In that case the generator may be connected to a feeder for which there is no generation capacity allocation and they will be unable to generate.
Connection Assessments for New Resources *Slides 13-15*	Does your LDC support the IESO's proposal that new distribution connected resources apply for a CIA only after they clear the auction? *If no*, please explain and provide alternative suggestions.	There is a risk that a new resource may not get a capacity allocation through a CIA so it is suggested that this be assured prior to entering the auction. After the auction, if the resource is not selected and a capacity allocation is secured through a CIA then there should be a mechanism to take back that capacity allocation so that capacity can be used by generators that are going to run.
	What concerns does your LDC have about new or modified distribution connections triggered by the ICA?	This LDC has concerns regarding these generators taking up capacity-to-generate allocations and then only running occasionally. Capacity to generate on distribution systems is limited and expensive to increase. LDCs are expecting greater solar generation penetration from their customers in the future and there is concern over allocating capacity to generate for a generator that will run occasionally while leaving no capacity to generate for solar generators that will always run. LDCs will have difficulty explaining to their customers that want to put generation behind the meter to load displace, that a capacity allocation is not available as available capacity was allotted to a

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		generator that runs occasionally. LDCs are finding it increasingly difficult to operate and manage their distribution systems with embedded generation. The value of generation to customers has become so great that customers are protesting loudly when the utility needs to have the generator off line to do work on the feeder or station. While distribution systems have so far generally been able to accommodate generators, as generation on feeders increases in the future, it will be impossible to schedule outages for generation that will satisfy all interests. The LDC's need for flexibility in operation is in conflict with the IESO's need for certainty that dispatched generation will be able to run. Generators that have built facilities will find it hard to accept that they are not able to run when the IESO is calling for them to be dispatched on because the distribution system is in an off-normal state. "Must-take" generation contracts limit the ability of the utility to manage generation on their distribution systems and limit the amount of generation that can be connected to the distribution system. As utility systems grow in automation and sophistication (i.e. FLISR) they will need to manage generation along with system configuration. Generator dispatch from the IESO will add another layer of complication onto the process. A rate mechanism will need to be found so that generators pay their fair share of costs of building and

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		operating a distribution system as compared to load customers.
	What level of coordination should occur between the ICA and LDC connection processes for new suppliers? Please provide suggestions or examples of a method of coordination that you think could work well.	The LDC will usually coordinate through their customer, the generator. The generator should be responsible for meeting the timelines of the ICA and conveying any concerns to the LDC. The ICA/IESO should coordinate with the LDC on the initial connections if the LDC will be settling with the generator as LDCs may need to alter/configure their billing systems to do this settlement. Depending on the complexity of the settlement, the capability of the billing system and other factors, this could take a year or more.
	What connection information will LDCs be able to provide to prospective resources in advance of participating in the ICA so they can understand potential risks and costs associated with developing their project?	LDCs can provide information that they normally provide to any prospective generator regarding capacity to accept generation, typical feeder availability and reliability. If detailed information is needed that would involve system simulations and extensive reporting, the LDC should be compensated for this work.

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	How much time is typically required between initiating a CIA and connecting a new resource?	The CIA is initiated once a valid application has been received, contracts signed and a deposit for the CIA received. The CIA will take 60-90 days. Thereafter, connection is generally in the hands of the generator to construct his facility and meet the in-service milestones outlined in the DSC.
	What are the milestones between initiating a CIA and connecting a new resource?	The milestones are outlined in the DSC. Generally LDC connection work is minimal and not on the critical path if connecting through existing feeder and station infrastructure. Generator construction timelines generally control the process timing.

General Comments/Feedback: