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Comments on Market Renewal

Energy Storage Ontario (ESCO) is pleased to provide comment on Brattle's preliminary analysis of market renewal in Ontario. Market renewal creates an opportunity for energy storage and the deployment of technology that optimizes Ontario's energy investments and builds flexibility and resiliency on the grid. Energy storage technologies within a properly designed electricity market will fundamentally improve the cost effectiveness and efficiencies of all system resources, while minimizing greenhouse gas emissions and maximizing ratepayer value.

ESCO appreciates the commitment and complexity in identifying the many benefits that come from renewing Ontario's electricity market. We also believe that energy storage has significant and broad benefits that need to be quantified early in the market renewal process in order to have its benefits to ratepayer value captured within a new market design.

Maximizing energy storage implementation by identifying all quantifiable benefits early will enable the full potential of the existing and future renewable resources to provide stable and predictable renewable energy to the grid. It will also facilitate greater system flexibility while optimizing and extending the useful life of all existing assets in the grid including transmission and distribution infrastructure and nuclear, hydro and gas-fired generators.

The market renewal process should determine the means to attribute value for performance (including speed of response) and multi-function/service characteristics of energy storage (i.e., appropriately value the stacking of benefits that can be provided).

In addition, ESCO recommends that IESO look at forms of commitment which would enable suitable for financing projects, and which would lower costs that can be passed on to ratepayers.

Market renewal is an opportunity to implement an integrated approach for resource procurement that considers different service needs at the same time and also allows a single facility to provide more than one service. This would provide greater value to ratepayers through increased utilization of future and existing assets. In order to maximize the value of this approach, IESO may need to anticipate future near-term requirements and include them in a procurement along with current needs, rather than procuring on a one-off basis.

Thank you for the opportunity to contribute comments and we look forward to continuing to work with the IESO on this important process.

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