



March 2, 2018

Barbara Ellard
Director, Markets and Procurement
Independent Electricity System Operator
1600-120 Adelaide Street West
Toronto, ON M5H 1T1

Dear Barbara,

Power Advisory LLC (“Power Advisory”) and Compass Renewable Energy Consulting Inc. (“Compass”) have prepared this submission on behalf of the Distributed Energy Resources Advisory Committee (“DER AC”). The DER AC is an industry-led group that consists of energy service providers with interest developing resources that distribution-level to meet the needs of electricity customers, including solar PV, energy storage, demand response (“DR”), energy efficiency, electric vehicles, and other demand-side resources. The purpose of the DER AC is to coordinate well-informed stakeholders to contribute meaningfully to the Market Renewal Program and the implementation of the Ministry of Energy’s 2017 Long-Term Energy Plan (“LTEP”).

The purpose of this submission is to provide feedback in response to the Independent Electricity System Operator’s (“IESO’s”) draft Non-Emitting Resources Request for Information (NERs RFI) posted for stakeholder comment on February 15, 2018. As we mentioned in our January 2018 submission, the DER AC is supportive of the NERs RFI, in principle, because it provides an opportunity to gather in-depth information about resources, their capabilities, attributes and costs which will help inform the re-design of the IESO market.

Therefore, the DER AC offers the following recommendations for the IESO’s consideration:

- A. Although the IESO’s responses to stakeholder feedback submitted in January 2018 suggested that the IESO’s definition of “non-emitting resource” would be “resources that are able to create a net-zero emissions [*sic*] through their operations by the end of their project lifecycle”, no similar definition is provided in the draft NERs RFI. We further note that this definition may have unintended consequences for certain renewable resources. For example, a biogas facility may create emissions, however, as a renewable resource, the emissions are not subject to regulation per the *Climate Change Mitigation and Low-carbon Economy Act, 2016*.
- B. Since the IESO has decided to maintain the two-phased process, please clarify that participation in Phase 1 is not a pre-requisite for participation in Phase 2 of the NERs RFI.

- C. Section 3.0 – The IESO proposes to take May through August 2018 for the evaluation of submissions and development of Phase 2 of the NERs RFI. However, the IESO does not specify what specifically will be evaluated. Please clarify the analysis that the IESO will undertake as part of its evaluation of submissions.
- D. Section 5.0 – Questions and comments are invited, however the IESO has not identified the frequency of response. We recommend that a “Q&A period” be added to the timetable per Section 3.0 with specific Q&A windows.
- E. Appendix A – We recommend that the IESO differentiate “the project” versus the “the facility”. This would allow the respondent to provide information about an operating resource and a specific project that might be proposed, such as an upgrade, modification or expansion of an existing facility. In some cases, the project may be the same as the facility (e.g., new projects).
- F. Appendix A: Section 2: Question 6 – Fuel Type. We note that natural gas is listed as an eligible fuel type. As the purpose of the NERs RFI is to gather information about the ability of non-emitting resources to participate in current and future IESO markets, we find the inclusion of natural gas as an eligible fuel type counterintuitive. We ask that the IESO provide clarification with respect to eligible fuels and non-emitting resources.
- G. Appendix A: Section 2: The IESO should add a question with respect to how the project or facility proposes to meet the criteria of a “non-emitting resource”. Absent a clear definition of non-emitting resources, it is essential that the IESO seek information from the respondent about their ability to provide “non-emitting” energy, capacity, ancillary services and other value attributes to fulfill the objective of the NERs RFI.
- H. Appendix A: Section 2 – We recommend that the IESO consider providing an alternative to this section of the spreadsheet which would enable respondents to submission of portfolios of projects as opposed to facility specific information. This is particularly important for distributed energy resources and projects that may consist of aggregated facilities. The IESO may also find it helpful to also group portfolios of projects by IESO zones.
- I. Appendix A: Section 3: We recommend that the IESO add “Estimated time to achieve COD” to this section.
- J. Appendix A: Section 4: Question 2: Ramp rate – We recommend that the IESO break this question out into two sections, e.g., ramp up and ramp down.



- K. Appendix A: Section 3: We recommend that the IESO add the following question: “If the project or facility is distribution-connected, has the respondent contacted the LDC to assess connection capability. If yes, are there any notable capacity constraints or limitations.”
- L. Appendix A: Section 4: Question 6 – Dispatchability: Please clarify what is meant by “Partially Dispatchable”. We interpret this to mean that a portion of the nameplate capacity is dispatchable. We recommend that this section leverage the specific language of the IESO Market Rules, specifically Chapters 11 (e.g., intermittent generator, self-supplying generator, variable generator, etc).
- M. Appendix A: Section 4 – We recommend that the IESO add a question with respect to the energy profile of the resource (e.g., energy contribution during peak periods).
- N. Appendix B: Questions 10 with respect to the proposed Incremental Capacity Auction (ICA) – The IESO should recognize that without high-level ICA design documents that it is very difficult for some potential respondents to answer this question in any meaningful way. While a respondent may consider participating in the ICA, greater clarity with respect ICA design elements are required, e.g., capacity qualification, etc. This is particularly of concern for variable generation resources. That said, with the transition of the DR Auction to the ICA, we anticipate that there will be DER providers who are considering participation in the ICA.
- O. Appendix B: Question 11 with respect to the proposed ICA – We recommend that the IESO also add the following question – “What is the length of time the resource can be called upon (e.g., duration)?”

The DER AC appreciates this opportunity to provide feedback to the IESO. We look forward to working with the IESO, the MRWG and the NER-SC, and contributing to future stakeholder engagement sessions.

Sincerely,

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