



January 17, 2018

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

**RE: Feedback submission – NERs RFI**

Dear Barbara,

Power Advisory LLC (“Power Advisory”) and Compass Renewable Energy Consulting Inc. (“Compass”) have prepared this submission on behalf of the newly formed Distributed Energy Resources Advisory Committee (“DER AC”). The DER AC is an industry-led group that consists of energy service providers with interest in developing resources at the distribution-level to meet the needs of electricity customers; including solar PV, energy storage, demand response, energy efficiency, electric vehicles, and other demand-side resources. The purpose of the DER AC is to coordinate well-informed stakeholders for the purpose of contributing 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”) webinar held on December 21, 2017 with respect to forthcoming Request for Information (“RFI”) for supply from non-emitting resources (“NERs”). The NERs RFI has been established as an initiative to support the work of the recently established Non-Emitting Resources Subcommittee (“NER-SC”), which is a subcommittee of the IESO’s Market Renewal Working Group (“MRWG”).

The DER AC is strongly supportive of the NERs RFI, in principle, as it provides an opportunity for the IESO to engage with industry stakeholders for the purpose of identifying specific resources to meet the future supply needs of Ontario’s electricity system while maintaining, or continuing to lower, carbon emissions consistent with Ontario’s climate change policies. The NERs RFI also provides an opportunity to gather in-depth information about resources, their capabilities, attributes and costs, which is essential to inform power system planning and the design of market mechanisms as contemplated by the Market Renewal Program.

The DER AC offers the following recommendations for the IESO's consideration:

- The IESO has indicated in recent, parallel stakeholder engagement sessions that it is interested in learning more about DERs and supporting a transitioning electricity market. The NERs RFI has the potential for identifying strategic DERs, and combinations, that are capable of providing the required electricity services and products to meet the needs of the IESO-controlled grid, while providing other benefits directly to electricity customers and distribution system operators. Therefore, the IESO should state explicitly in the NERs RFI that DERs are eligible to participate.
- Not only can DERs help meet province-wide system needs, DERs can help meet local and regional system needs as well (e.g., offsetting the need for new transmission or distribution, reducing line-losses, etc.) The NER RFI should recognize the broader system value of resources, including resources developed at a smaller-scale, and encourage respondents to articulate “value-add” in their submissions.
- While the IESO provided high-level objectives of the NER RFI in its December 21<sup>st</sup> webinar, the overall goal of the NER RFI remains unclear to stakeholders. It is understood that the NER RFI should inform the Market Renewal Program, however, it is unclear precisely how the IESO will use this information to affect internal decision making. The NER RFI should clearly specify how information collected through this process might be aggregated, shared, or otherwise conveyed to other external stakeholders. Moreover, the role of the NER-SC in the review of any information or results of the NERs RFI has not been outlined by the IESO.
- If the purpose of the NERs RFI is to inform the Market Renewal Program and related market design elements that are currently being contemplated, we are concerned that the proposed timelines are too long. With final decisions and high-level design options for the proposed single schedule market and incremental capacity auction being scheduled for Q2 2018, a NERs RFI process that concludes in Q1 2019 seems misaligned. The DER AC therefore recommends moving from a two-phase process to a single-step process.
- The IESO should describe how the NERs RFI might align, or not, with other strategic initiatives of the IESO, Ministry of Energy or Ontario Energy Board, for example:
  - Conservation First Framework;
  - Demand Response Working Group;
  - Industrial Conservation Initiative;
  - LDC-Interoperability Standing Committee;
  - Integrated Regional Resource Plans (IRRP);
  - LTEP implementation – such as the development of “innovative renewable distributed generation pilot projects” such as virtual net metering; the development of a “formal

integrated bulk system planning process”; the “review and report on the regional planning process”; or identifying barriers to DERs on the distribution or bulk system.

- To ensure the IESO receives high-quality submissions, the NERs RFI should be preceded with an up-to-date assessment of the electricity system needs, as well as transmission and distribution system constraints. Specifically, the IESO should identify the scope and scale of specific electricity products and services required, including any regional or location-specific needs. While the LTEP and 2016 Ontario Planning Outlook provide a baseline of information, more precise information from the IESO specifying the needs for capacity, energy, regulation, load following, ramping, etc, will improve the overall quality and relevancy of respondent submissions.
- The NER RFI should include the following details:
  - General project information – such as resource type, location, size (MW), existing/upgrade/new, connection/delivery point;
  - Respondent information – including the opportunity to provide high-level information about the respondent’s experience, corporate structure and financial strength;
  - Ability of resource to provide various electricity products or services (e.g., capacity, energy, ramping, load following, regulation, etc.);
  - Anticipated environmental attributes generated by the resource (existing or incremental);
  - Assessment of interconnection capability and any potential constraints;
  - How the resource may be used or combined with other technologies;
  - Alignment with of the project with IRRPs, transmission/distribution system plans, or other community, municipal or Indigenous energy plans, etc;
  - Any anticipated benefits to the broader electricity system or customers;
  - Indication of community support for the proposed project and status of any required permits and approvals;
  - Identification of any barriers to participate in Ontario’s electricity markets;
  - Timeline for project development and length of term available; and
  - Indicative pricing of the resource.



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

Sincerely,

A handwritten signature in blue ink, appearing to read "Sarah Simmons", with a long horizontal flourish extending to the right.

Sarah Simmons  
Manager, Generation and Emerging Sectors  
Power Advisory LLC

CC: Leonard Kula (IESO)  
Adam Butterfield (IESO)  
Ryan King (IESO)  
Jim MacDougall (Compass)  
Clark Herring (Great Circle Solar)  
Craig Walker (Hamilton Utilities Corporation)  
Michael Savel (Oakville Entreprises Corporation)  
Peter Goodman (Solar Power Network)  
Peter Vogel (Tandem Solar)  
Steve Ray (Essex Energy Corporation)  
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