

Feedback Form

Distributed Energy Resources (DER) Market Vision and Design Project – June 22, 2022

Feedback Provided by:

Name:

Title:

Organization: Distributed Energy Resources Stakeholder Initiative (DERSI)

Email:

Date: July 14, 2022

Following the June 22nd public webinar on the DER Market Vision and Design Project, the Independent Electricity System Operator (IESO) is seeking feedback from participants on the options to the Phase I Questions for the foundational DER model(s), and any key considerations for the IESO to take into account as options are assessed for the Phase 1 Questions.

The referenced presentation can be found on the [DER Market Vision and Design Project webpage](#).

Please provide feedback by July 14, 2022 to engagement@ieso.ca. Please use subject header: *DER Market Vision and Design Project*. To promote transparency, this feedback will be posted on the [DER Market Vision and Design Project webpage](#) unless otherwise requested by the sender.

The IESO will work to consider and incorporate comments as appropriate and post responses on the webpage.

Thank you for your contribution.

Phase I Questions

Topic	Feedback
Has the IESO identified the appropriate options to the Phase I Questions for the foundational DER model(s) for this project? If not, please provide details on additional options for consideration and associated rationale for the option.	See input provided in General Comments.
Based on the criteria outlined in this presentation, are there any key considerations you would like the IESO to take into account as we assess options for the Phase I Questions?	See input provided in General Comments.

General Comments/Feedback

A number of prominent stakeholders have formed the Distributed Energy Resources Stakeholder Initiative (DERSI) to help facilitate DER development and implementation. DERSI is committed to working with the IESO, the OEB, the provincial government and others to address the need for timely and meaningful changes.

DERSI appreciates the efforts that the IESO is undertaking through the Market Vision and Design Project.

However, like other stakeholders, we are concerned about the proposed pace of DER implementation. The IESO is forecasting significant capacity needs this decade and the Market Vision and Design Project as outlined reduces the ability of clean, affordable DERs to contribute to meeting those needs in a timely manner. As it stands, DERs are unable to effectively compete in the IESO's current 2500MW procurements targeting 2025/2026 capacity due to IESO system and process limitations. The current plan as laid out by the IESO will result in a large portion of DERs still unable to effectively compete in subsequent procurements targeting the 2029/2030 timeframe due to a lack of IESO system readiness.

As we understand it, the limited foundational model being proposed is tied to the resource needs associated with the Market Renewal Program (MRP). Further delays to the MRP schedule currently being considered by the IESO would further slow down the IESO's ability to fully enable DERs. We would encourage the IESO to address the need for additional support for DER implementation through its upcoming Business Plan and revenue submission to the Minister of Energy. This would enable to IESO to consider a more ambitious and comprehensive scoping for the foundational models to include models which require tool changes that result in high rate-payer value.

FERC Order 2222 is focused on enabling DERs in U.S. markets and the IESO's counterparts in the U.S. are complying with that order. As a result, and based on the IESO's current schedule, Ontario could find itself falling behind other markets in fully enabling DERs and risk losing needed DER investment to other jurisdictions.

Finally, DERSI is encouraged by the IESO's DER Achievable Potential Study presentation last month which spoke both to the potential of DERs to significantly contribute to meeting system needs and the actions needed to realize that potential.