

Feedback Form

OEB/IESO Joint Engagement on DER Integration – April 13, 2022

Feedback Provided by:

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Following the April 13, 2022 OEB/IESO Joint Engagement session, the Ontario Energy Board (OEB) and the Independent Electricity System Operator (IESO) are seeking feedback from participants on the joint engagement in general as well as the updates to the list of cross-cutting issues presented.

The referenced presentations can be found on the [DER Roadmap webpage](#).

Please provide feedback by May 11, 2022 to engagement@ieso.ca. Please use subject header: *OEB/IESO Joint Engagement*. To promote transparency, this feedback will be posted on the [DER Roadmap webpage](#) unless otherwise requested by the sender.

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

Thank you for your contribution.

OEB/IESO Joint Engagement

Topic	Feedback
Are there any new potential cross-cutting issues related to DER integration that should be considered for collaboration between the OEB/IESO?	<p>The cross section of the IESO and OEB goals for DER integration is to maximize value of DERs for provincial resource acquisition while facilitating DER deployment/adoption, which enhances overall value to energy consumers. In addition to the cross-cutting issues identified on April 13th, DER integration should also consider the collaboration of the two entities to review ways in which DERs can fulfill multiple market demand by (but not limited to) the two following ways:</p> <ol style="list-style-type: none"><li data-bbox="669 583 1529 1108">(1) Addressing, through policies and procedures, the physical limitations of the electricity system created by fault current levels. Battery energy storage systems (BESS) will be added to the grid and will reduce the amount of system capacity that is available for other generators. Therefore, when completing a connection impact assessment, a distributor has to assume that BESS are providing power into the grid. As a result, it will become more common in the future for new generation connections to be denied due to physical system constraints, constraints that would not be as significant if BESS were not connected to the grid. We are supportive of the role of BESS within the market. However, more planning and analysis may be needed on a combined IESO and OEB review to achieve optimal power supply mix that enhances value to the customers and maximizes value of DERs.<li data-bbox="669 1108 1529 1360">(2) Coordination between the OEB and IESO for potential procurements achieved through the 2021-2024 CDM Framework should be considered for its cross-cutting DER Roadmap. The CDM element does not just directly impact the distributors' system planning, but also has the potential through coordination to play a role in resource needs, and if coordinated correctly, through DERs.

Topic	Feedback
<p>How well are the objectives of this joint engagement (i.e. to provide clarity on the topics being addressed by each organization, identify cross-cutting issues, and ensure IESO and OEB efforts are appropriately coordinated) being achieved?</p>	<p>We support and encourage the collaboration of the IESO and OEB joint engagement and suggest that to appropriately coordinate the objectives of this joint engagement being achieved, the IESO and OEB report back to and consult LDCs more frequently than 6-month increments. Although this timeline is set to extend far into the 2024 – 2026 period, these dates are fast approaching and LDCs will require lead time to both plan and integrate their operations to facilitate DER objectives. LDCs are central to the success of benefits being achieved, therefore it is important to consider the role of distributors and coordinate more opportunities for LDCs to engage on the development of policies. This will also allow LDCs to bring their expert perspectives to the table.</p> <p>Constructively, we acknowledge each entity has identified the varying issues addressed by each organization. We would like to see combined milestones established by the joint collaboration and a clear plan of how the two entities will work together to address the cross-cutting issues.</p>

General Comments/Feedback

Additionally, LDCs see the opportunity for the joint OEB and IESO to review the following items:

- Capacity allocations to generate are specific to a feeder and transformer stations, which restricts an LDC’s ability to reconfigure its system either long-term or on a short-term temporary basis. Therefore, the OEB and IESO may want to consider how these restrictions can be mitigated and who should be responsible for the associated costs.
- Current template contracts provided by the OEB for generator connections and capacity allocations for generation are required contracts with the LDC. These required provisions restrict the LDC’s ability to manage DER generation. The OEB and IESO may want to consider how to give LDCs sufficient flexibility to manage DER generation.
- Coordination of the IESO’s DER market participation activity, including the Transmission Distribution Working Group and Market Renewal Preparedness group. We’ve noticed that LDC involvement with DERs as services for the local distribution system, transmission system and wholesale market was not originally considered. If there is no coordination, then it is our concern that there will not be optimal benefit gained. Specifically, LDCs should be managers of embedded DERs for the optimal benefit of all stakeholders.
- Currently there are four announced DER pilot programs in development. It would be beneficial to have regular briefings from the combined IESO and OEB on project progress and developing best practices. This can provide information for meaningful discussions.