

Engagement Plan

Distributed Energy Resources (DER) Roadmap

Introduction

In April, 2021, the IESO launched the [Enabling Resources Program engagement](#). The purpose of the initiative is to produce an integrated plan that will outline the sequencing, timing and scope of activities to be undertaken by the IESO to enable existing electricity resources to provide electricity system services in the renewed Ontario wholesale market that they cannot, or cannot fully, currently provide.

It is expected that a number of distinct projects will be launched under the Enabling Resources Program umbrella to realize priority resource enablement opportunities. In the interest of continued progress and to support scoping of solutions on resource enablement opportunities, the IESO launched the [Hybrid Integration Project](#) on April 21, 2021, and is now launching the DER Roadmap engagement.

There are nearly 5,000 MW of DERs already deployed in Ontario, with potential for substantial growth, driven by:

- Decreasing cost and increasing capability of DERs;
- Electrification/decarbonisation goals and federal funding;
- Business environmental, social, and governance (ESG) criteria; and
- Municipalities' community energy planning and customers' preferences

While DERs can provide benefits to the customer and distribution and bulk systems, they are currently enabled in wholesale markets in a limited way (aggregations of Hourly Demand Response resources or as individual resources over 1 MW in size). Preparing to more fully integrate these resources is important to the reliability and cost-effectiveness of Ontario's electricity system.

The DER Roadmap engagement will establish IESO objectives, initiatives and timing for DER integration. The Roadmap will be developed with stakeholder input and with regards for other key IESO initiatives (e.g. Resource Adequacy and Enabling Resources Program). The Roadmap will clearly articulate the IESO's actions for integrating DERs and can also be used as a tool to help ensure

coordination across the sector. The IESO intends to complete the DER Roadmap prior to the end of 2021 and will report periodically to stakeholders on progress made thereafter.

At the DER Roadmap launch, the IESO will also share details and seek stakeholder feedback on an approach for increased collaboration with the Ontario Energy Board (OEB) on DER integration which will see the two organizations work together to map out and coordinate actions on interrelated issues between DER wholesale market and distribution level participation. This coordination – and associated joint stakeholder engagement sessions to follow – is aimed at addressing stakeholder calls for enhanced collaboration between the two organizations.

Later this year, as part of the DER Roadmap, the IESO will:

- Initiate a DER Potential Study to understand what DERs are likely to emerge over the next 10 years in Ontario and what the implications are for the wholesale markets;
- Initiate a Joint Targeted Call of the OEB's Innovation Sandbox and the IESO's Grid Innovation Fund;
- Initiate engagement with stakeholders to address regional planning process updates related to non-wires alternatives; and
- Initiate a DER Market Vision Project to establish a framework for enhanced DER market participation.

This engagement plan outlines the objectives, approach, timeline and considerations for engaging with stakeholders during the DER Roadmap. This engagement plan may be subject to review and updates as the process evolves. All comments and enquiries on this engagement can be directed to engagement@ieso.ca.

Stakeholders and Communities

The IESO encourages all interested parties to participate in this engagement through the public engagement activities described in the Approach section below. The IESO anticipates that this initiative will be of particular interest to current and prospective market participants, resource developers, municipalities and Local Distribution Companies (LDCs).

Engagement Objectives

The objectives of this engagement are:

- To ensure that stakeholders understand the purpose of this initiative;
- To purposefully engage on the development of the DER Roadmap, incorporating stakeholder feedback and considerations where possible;
- To seek input on and establish an approach for increased collaboration with the Ontario Energy Board (OEB) on DER integration;
- To produce a DER Roadmap prior to the end of 2021 that will identify IESO objectives, initiatives and timing for DER integration.

Approach

This engagement plan will be implemented in accordance with the [IESO's approved engagement principles](#).

This is a public engagement process. All materials will be posted on the dedicated IESO engagement webpage, and, any information/input supplied by interested parties will also be posted (with consent).

The approach for this engagement includes opportunities to provide input through various channels such as webinars, information sessions, meetings, and written feedback. The project team will consider all relevant input and illustrate how feedback was considered to shape the stated objectives.

Proposed Engagement Schedule

The anticipated timing for this engagement is presented below. Note that timing and content associated with upcoming activities are subject to change. Effort will be made to coordinate engagements with other initiatives active at a similar time, or with similar targeted communities and stakeholders. Updates will be posted to the DER Roadmap engagement page, when available.

| Timing | Engagement Activity |
|---------------|--|
| June 22, 2021 | Stakeholder webinar: <ul style="list-style-type: none">The initial meeting of the DER Roadmap engagement will introduce the initiative, identify IESO focus areas and near-term timelines, and highlight a number of key DER initiatives that are underway or will be launched in 2021. The meeting will also to introduce and seek feedback on opportunities for increased collaboration with the OEB and DER demonstration projects. |
| July, 2021 | Stakeholder webinar: <ul style="list-style-type: none">Introduce York Region NWA Demonstration DER Scenarios and Modelling Study and year 2 enhancements |
| August, 2021 | Stakeholder webinar: <ul style="list-style-type: none">The initial meeting of the DER Potential Study engagement |
| August, 2021 | Stakeholder webinar: <ul style="list-style-type: none">The initial meeting for DER portion of GIF targeted call |

| Timing | Engagement Activity |
|-------------------------|--|
| September/October, 2021 | Stakeholder webinar: <ul style="list-style-type: none"> Introduce DER Roadmap objectives and longer-term timelines |
| September/October, 2021 | Stakeholder webinar: <ul style="list-style-type: none"> The initial meeting of the DER Market Vision Project |
| September/October, 2021 | Stakeholder webinar: <ul style="list-style-type: none"> Introduce next steps on regional planning process updates related to non-wires alternatives |
| Q4, 2021 | Targeted completion date for DER Roadmap |
| Q1/2, 2022 | Targeted completion date for DER Potential Study |

Additional Background and Resources

- [OEB: Framework for Energy Innovation: Distributed Resources and Utility Incentives](#)
- Non-Wires Alternatives:** [Regional Planning Process Review \(RPPR\)](#) – review of the regional planning process, including identifying barriers to NWAs and development of recommendations to alleviate barriers
- Wholesale Market Integration:** Aggregated hourly demand response (DR) has been enabled in IESO’s Capacity Auction; recent [IESO whitepapers](#) have explored opportunities and options for expanded DER participation in wholesale markets
- Transmission-Distribution (T-D) Interoperability:** [IESO York Region NWA demonstration](#) is exploring a framework for T-D interoperability through a local capacity auction to acquire resources to provide non-wires value while coordinating with the wholesale market; recent [IESO whitepaper explored T-D frameworks](#)

Related Engagements

[Capacity Auction](#)

[Demand Response Working Group \(DRWG\)](#)

[Distributed Energy Resources Survey](#)

[Enabling Resources Program](#)

[Expanding Participation in Operating Reserve and Energy \(EPOR-E\)](#)

[Hybrid Integration Project](#)

[IESO York Region Non Wires Alternatives Demonstration Project](#)

[Innovation and Sector Evolution White Paper Series](#)

[Resource Adequacy](#)

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