Feedback Form

Enabling Resources Program (ERP) – Distributed Energy Resources (DER) Integration Project – Market Integration

Meeting Date: October 15, 2026

Feedback Provided by:

Name: Rudra Mukherji

Title: Senior Regulatory Affairs Advisor

Organization: Electricity Distributors Association (EDA)

Email: [redacted]

Date: November 9, 2026

Following the **October 15, 2026**, engagement session, the Independent Electricity System Operator (IESO) is seeking feedback on the items discussed during the webinar. The presentation and recording can be accessed from the engagement web page.

Please submit feedback to engagement@ieso.ca by **October 30, 2026**. If you wish to provide confidential feedback, please submit it as a separate document, marked "Confidential." Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

ERP's DER Integration Project

Please provide your feedback and comments on the information presented this engagement which included the following topic areas:

Front-of-the-Meter DER/A Participation Model

Topic	Feedback
Do stakeholders have any questions or clarifications required on the DER/A requirements to participate in the IAM? **Why is the IESO asking:** To confirm a shared understanding and maintain consistency in messaging related to DER/A requirements.	The Electricity Distributors Association (EDA) supports a practical pathway for front-of-the-meter (FTM) DER aggregations (DERAs) to participate in the IESO-Administered Markets (IAM). Members' main concern is not wholesale participation itself, but how that participation is coordinated with the operation of the distribution systems these resources connect to. The EDA requests the following clarifications. • **Status of "decisions".** Several slides (e.g., slides 17 and 18) present design elements as decisions. Please confirm whether these are final or remain open to change based on stakeholder feedback, and explain how the IESO determines that a design element is final. • **Distribution reliability must take precedence.** Slide 20 gives the aggregator flexibility to use its contributors in any combination to meet dispatch. The same net dispatch can have very different effects on individual feeders and stations. The IESO should state clearly that safe and reliable operation of the distribution system

Topic	Feedback
	takes precedence over market dispatch, and define how distributors will communicate operating limits and restrict or override contributor activity during planned and unplanned outages, switching, load transfers and restoration. It is the aggregator's responsibility to size and manage its portfolio to account for these conditions. • **"Reserved by the LDC" (slide 20).** Please confirm this refers to capacity committed to a distributor non-wires solution (NWS) or local program, and explain how the IESO and the distributor will confirm that the reserved quantity is correctly reflected in the DERA's dispatch data. • **Offer price for local reservations (slide 21).** The example holds 2 MW for the distributor using a -$2,000/MWh price block, which is the market price floor. Please confirm this is the intended mechanism, and assess whether offering local reservations at the floor has unintended effects on wholesale prices. • **Embedded distributors.** Contributors must be behind a common TDI and "served by the same LDC". Please clarify how this applies where an embedded distributor is supplied through a host distributor, which party is considered the host distributor, and the roles of each in tracking contributors,

Topic	Feedback
	recommending TDI assignments and coordinating operations. • **Eligibility details.** Please confirm that a DERA may be registered as either FTM or behind-the-meter (BTM) but not a combination of both; whether there is a minimum size for individual contributors; and, given the 1 MW minimum for standalone DERs, whether a distributor or future DSO could act as an aggregator for smaller DERs. • **IESO control area (slide 35).** Please explain what it means in practice for an FTM DER that provides stacked services to "remain within the IESO control area," and confirm whether this changes how such resources are registered, dispatched, settled or paid compared with embedded generators today.

Wholesale Market Settlements – Front of Meter DER/A

Topic	Feedback
Please provide feedback on the potential impacts of this approach, including any barriers, risks, or unintended consequences that could affect DER participation in wholesale markets under a DERA framework. Please provide examples, evidence, or supporting materials that address this trade-off, including how the proposed approach ensures fair treatment of DERs relative to directly connected resources; avoids inappropriate cost shifting or cost avoidance among participants; and maintains efficient market participation while	The EDA's comments focus on impacts to distributors and their customers. • **Per-contributor metering costs.** Aggregation pools market capability but not fixed metering and Metering Service Provider (MSP) costs. In an aggregation, these costs are incurred at every contributor site rather than at one site, so cost per MW rises as contributor size falls. Identical site-level rules alone do not demonstrate fair treatment relative to directly connected resources. The

Topic	Feedback
minimizing unnecessary administrative and settlement burdens. **Why is the IESO asking:** The IESO's proposed participation model is technology-agnostic and enables multiple resource types to participate within a single aggregation. This is intended to lower barriers for smaller DERs and facilitate access to wholesale markets. While some technologies have provisions to exempt certain costs (e.g. energy storage may be exempt from certain GA costs/applicable transmission tariffs), DERA-connected resources will not be eligible for technology-specific exemptions as the IESO is taking a technology-agnostic approach. This pragmatic approach balances implementation and ratepayer value.	EDA recommends the IESO compare upfront and recurring costs per contributor and per MW for representative small, medium and large contributors (see also our metering response). • **Non-performance due to grid conditions.** Please clarify settlement where a DERA cannot follow dispatch because of transmission or distribution outages, load transfers or distributor operating restrictions. Applying standard balancing charges is consistent with other resources, but the IESO should confirm that distributors carry no market liability for actions taken to maintain distribution reliability. • **Distributor declarations.** The EDA encourages the IESO to work with distributors, including wholly embedded distributors and distributors that are market participants, to confirm any changes to settlement and declaration requirements.
Is there any feedback on the IESO's proposal to settle with the MP (aggregator) and not the individual DER contributors? **Why is the IESO asking:** To avoid compensating a DERA twice for the same service, the IESO will act as the settlement agent for a DERA that is registered to participate in the IAM. When participating in the IAM, a DERA signals to the IESO that a portion of its service is intended to meet local distribution system needs/non-wholesale program requirements, or where it	The EDA supports, in principle, settling the DERA's aggregate performance against its dispatch with the aggregator. This is consistent with how other resources are treated. However, the distributor's role needs to be defined. • **Distributor relationship with the aggregator.** The aggregator is often not a party to the connection agreement between the distributor and the DER owner. Distributors will continue to

Topic	Feedback
deviates from dispatch due to conditions outside of the IESO's control, the IESO shall continue to settle the DERA against the dispatch signal sent to the resource and the response that the IESO measures at the aggregate level. Isolating the services delivered or withheld in response to different stakeholder's needs from a single aggregate's measurement poses a significant technical challenge. To ensure that the wholesale market remains balanced and financially neutral, the IESO expects the aggregator to settle with the relevant stakeholder or distributor for the portion of the service that it has offered to other programs or is unable to deliver in response to an IESO dispatch.	settle with their connected customers under their Conditions of Service. • **Distribution-Level Settlement as an option.** Some members propose that the IESO assess an optional Distribution-Level Settlement (DLS) arrangement. A participating distributor would administer combined local and wholesale settlement for distribution-connected resources and reconcile with the IESO, as with embedded generation today. This would give resources providing local and bulk services a single settlement interface, while the IESO retains dispatch, pricing, aggregate performance assessment and market governance. Any such option should be voluntary for distributors and not transfer wholesale market responsibilities or liabilities to them.
In the illustrative example on slide 21, where a FTM DER/A is simultaneously offering services both to the bulk and distribution grid during any given interval: *Distributor* What information would the distributor need from the IESO for the distributor to settle with the DER/A for the distribution portion of the service? *Market Participant / Aggregator* In addition to currently available information from the IESO, what additional information would the market participants/aggregators need to accurately settle downstream with the DERA contributors? What challenges do participants/aggregators see with settling individual contributors for performance when the aggregate response to the	**Distributor.** Distributors will need contributor-level information to verify local service delivery. At a minimum, distributors would need: • DERA registration data: contributors, connection locations, capacities and assigned TDI. • The DERA's resource plan, including any quantity reserved for local services. • Day-ahead schedules and real-time dispatch instructions issued to the DERA, in time to support local operations.

Topic	Feedback
IESO dispatch involves inefficient or directionally divergent scheduling of underlying contributors? **Why is the IESO asking:** Building on the previous question, the IESO proposes to settle with the DER aggregate owner and expects that the aggregate owner will settle with individual DER contributors for their portion of the service. The IESO does not intend to control and will not have visibility into individual DER contributor's response but will only consider the aggregate's response when settling with the DERA.	• Outages and derates submitted by the DERA. • Contributor-level 5-minute metering data. The IESO has confirmed that distributors can access this data under Market Rules Chapter 6, section 10.1.3; a defined, automated process for doing so is needed. These information flows should follow the coordination protocols developed through the Transmission-Distribution Coordination Working Group (TDWG), which identified resource plans as the main coordination mechanism between DER/As and distributors. **Value stacking.** The EDA understands slide 21 is illustrative. The future engagement on value stacking (prioritization, metering and settlement) should be developed jointly with distributors and the OEB before a specific approach is advanced.

Wholesale Metering – Front of Meter DER/A

Topic	Feedback
Do you foresee any concerns or challenges with adopting the proposed metering implementation approach for FTM DERs directly connected to the distribution system (reference Slide 38)? Are there any barriers that DER operators, aggregators, or any other DER stakeholders will face if required to utilize wholesale metering installations for each of the DER contributors that contribute to a front-of-the-meter aggregation?	Yes. The EDA sees two main concerns: cost to DERs and data access for distributors. • **Cost.** As noted above, requiring a registered wholesale metering installation, and potentially an MSP, at every contributor may make smaller FTM DERs uneconomic even where the aggregate can reliably meet market requirements. The EDA recommends the IESO publish representative cost

Topic	Feedback
If so, please describe the barrier in as much detail as possible, including: • Why it is a concern or challenge. • Any business, operational, technical, or financial impacts. • The specific needs or requirements that would help address the concern. • Potential solutions or alternative approaches that could mitigate the issue. • How your proposed solution would benefit DER operators, aggregators, customers, and the broader DER stakeholders and existing market participants. Your feedback will help us better understand implementation considerations and identify practical approaches that support reliable market participation while minimizing unnecessary burden on stakeholders. Besides the IESO, will other entities need access to the meter readings to support their activities? If so, explain a preferred measurement source (i.e., direct meter read), intended usage, read frequency, etc. **Why is the IESO asking:** For FTM DERs that plan to participate in the wholesale market, either on their own or as part of a DER aggregation, the proposed approach builds on existing wholesale metering requirements and *market rules* already used for *embedded generators*. This provides a familiar and practical path forward for implementation. By leveraging established processes, DER owners and aggregators can more easily manage metering registration, metering data collection, and ongoing compliance throughout the life of their assets. In addition, Market Rules Chapter 6, Section 4.6 provides flexibility for *embedded generators* with a capacity below 2 MVA. For example, these *facilities* may be able to use a standalone meter – either main *meter* or	cases (upfront and recurring) and consider metering requirements proportionate to contributor size and the aggregate settlement risk. • **Chapter 6, section 4.6.** The EDA thanks the IESO for clarifying that a facility qualifies if it is either below 2 MVA or injects less than 17 GWh per year, and that no exemption request is needed. Please document this in the final design and market manuals, and confirm that the thresholds apply to each contributor rather than to the DERA as a whole. • **Distributor-provided metering. Th**e IESO has indicated that a distributor retail meter alone would not satisfy wholesale requirements. The EDA asks the IESO to assess a pathway where a distributor may, at its option, supply a meter that is on the IESO Conforming Meter List and is registered, tested and maintained to IESO requirements, serving as the standalone meter for both wholesale and local settlement. The IESO is already exploring dual-purpose meters for BTM DERs; the same work should consider FTM contributors. Related options to reduce MSP obligations for small contributors should be explored, without transferring MSP responsibilities or liabilities to distributors. • **Distributor access to meter data.** Distributors need this data. The preferred source is direct access to contributor-level 5-minute interval data for facilities connected to the

Topic	Feedback
alternate *meter* - and may be subject to reduced testing and emergency preparedness requirements. These provisions can help lower both upfront and ongoing metering costs while continuing to meet market requirements. We welcome feedback on whether this approach is practical for your organization, any challenges you foresee, and opportunities to further reduce barriers while maintaining metering accuracy, reliability, and compliance. Please share any suggestions for improving metering data access, clarifying stakeholder roles and responsibilities, streamlining processes, or introducing additional data, controls, or alternative metering approaches. We are also interested in ideas that would support the successful implementation of FTM DERs today while enabling the continued growth and scalability of DER integration in the future.	distributor's system, delivered at least daily after the operating day. Intended uses include NWS verification and local settlement, operational awareness, distribution planning and hosting capacity assessment. The EDA asks the IESO to set out the process under Chapter 6, section 10.1.3, including how distributors are notified of new registrations, the data format, and automated delivery.

General Comments/Feedback

The EDA supports enabling DER participation in wholesale markets. To make this work for distributors and their customers, the EDA asks the IESO to address the following.

- **Build on the TDWG.** The TDWG reflected several years of joint work by the IESO, distributors, aggregators and others to develop common coordination protocols, functional requirements and a shared-platform concept. The ERP design references the TDWG but does not show how its deliverables have been incorporated. The IESO should identify which TDWG deliverables are being adopted, modified or deferred, and why.
- **Align with the OEB's DSO consultation.** The proposed design, where aggregators communicate distribution commitments through wholesale offers, embeds a particular allocation of roles while the OEB is consulting on the future DSO framework. Once market rules, systems and participant obligations are in place, they are costly to change. The coordination architecture should work regardless of which DSO model the OEB adopts.
- **Work with distributor-led initiatives.** Distributors are already developing shared coordination capabilities, including the Local Flexibility Market coordination platform and PowerShare's shared-services model. The IESO should engage with these initiatives to align

interfaces. The design should also allow distributors to coordinate across territories behind a shared TDI without requiring new market entities.

- **Distributor operational authority.** Distributors cannot remain responsible for distribution reliability without clear authority and procedures to manage resources affecting their systems. The framework should specify how distributor constraints are communicated, response times for the IESO and aggregators, how conflicting instructions are resolved, and how market obligations and liabilities are treated.
- **Technical working group.** The EDA recommends a joint IESO-distributor technical working group, including transmitters and embedded distributors, to work through coordination, data exchange, TDIs, metering and settlement ahead of the December 2026 sessions. The EDA would be pleased to help organize member participation.