Feedback Form

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

Meeting Date: October 15, 2026

Feedback Provided by:

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Date: October 30, 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.	Energy Storage Canada (ESC) appreciates the IESO's efforts to establish a framework that enables DER aggregations to participate in the IESO-Administered Markets while maintaining reliability and supporting transmission-distribution coordination. ESC generally supports the proposed approach to enable front-of-the-meter DER aggregations composed of generation and storage resources to participate as dispatchable market resources. ESC encourages the IESO to continue providing clarity regarding how aggregator obligations, dispatch data requirements, outage reporting obligations, and performance expectations will apply in practice, particularly where DERAs are simultaneously participating in wholesale markets and distribution-level programs. Additional implementation examples would support stakeholder understanding as the design progresses.

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 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.	ESC supports the IESO's objective of establishing a technology-agnostic framework that enables participation from a broad range of DER technologies while reducing barriers to entry for smaller resources through aggregation. The proposed framework has the potential to expand participation in wholesale markets and improve the utilization of distributed storage resources across Ontario. At the same time, ESC notes that storage technologies currently benefit from certain cost treatments and exemptions that reflect the operational characteristics of storage resources. The proposed decision not to extend technology-specific treatment to DERAs warrants further consideration to ensure storage resources participating through aggregations are not placed at a competitive disadvantage relative to standalone resources providing equivalent services. ESC encourages the IESO to continue evaluating whether the proposed framework maintains fair treatment across participation models while preserving the benefits of a technology-agnostic structure. Where exemptions or charges materially affect participation decisions, the resulting incentives may influence whether developers pursue individual participation or aggregation models, potentially impacting overall market efficiency and DER participation. As future work on value stacking, settlements, and market operations advances, ESC encourages the IESO to continue assessing whether

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	additional flexibility or alternative approaches may be warranted to accommodate the unique characteristics of storage resources participating as part of DER aggregations.

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 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.	ESC generally supports the IESO's proposal to settle with the market participant aggregator rather than individual DER contributors. This approach is consistent with the proposed DERA participation model, under which the aggregator is responsible for offering, dispatch compliance, availability management, and market obligations. The approach also appears to support administrative simplicity and aligns accountability with the entity participating directly in the wholesale market. IESO should ensure that DER participation in the IAM is designed in a manner that preserves and supports opportunities for participation in distributor-led DER markets, enabling DERs to deliver both bulk system and distribution system benefits. To support effective implementation, ESC encourages the IESO to ensure aggregators have access to timely and sufficiently granular settlement inputs necessary to reconcile wholesale market outcomes with individual contributors. Clear settlement transparency will be important to facilitate accurate downstream settlement arrangements and reduce administrative burden for aggregators. ESC also notes that future discussions on value stacking, coordination with local distribution programs, and performance

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	measurement will be important to ensuring aggregators can accurately allocate revenues, costs, and obligations among participating contributors.

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 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.	ESC recognizes the challenges associated with separating services provided to wholesale and distribution-level needs when a DERA is simultaneously delivering value to both systems. To support settlement of distribution-level services, distributors may require: • Visibility into DERA wholesale market schedules and dispatch instructions. • Information regarding the wholesale quantities settled by the IESO. • Visibility into periods where capacity has been reserved for wholesale market participation versus local distribution services. • Access to aggregate performance information sufficient to validate distribution-level service arrangements. To support downstream settlement with individual contributors, aggregators may require: • Detailed dispatch instructions and schedules for the DERA. • Settlement determinants and performance calculations used by the IESO. • Access to interval-level metering and performance data. • Visibility into any balancing charges, operating reserve performance outcomes, or other settlement adjustments affecting the aggregate resource.

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	ESC notes that aggregators may face challenges when individual DER contributors respond differently to local operating conditions while overall aggregate performance remains compliant. For storage resources in particular, different state-of-charge conditions among contributors may result in varying individual responses while still producing the required aggregate outcome. ESC therefore encourages the IESO to maintain flexibility in how aggregators manage contributor-level dispatch and performance obligations, provided aggregate-level wholesale market obligations continue to be satisfied. Additional engagement on value stacking, performance attribution, and coordination between market and distribution-level services will be important as the design matures.

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? 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	ESC supports the IESO's objective of leveraging existing wholesale metering requirements and embedded generation frameworks where possible in order to reduce implementation complexity and support timely market participation. However, ESC notes that the requirement for wholesale metering installations at each participating DER contributor may create additional cost and administrative burdens for some aggregation models, particularly where numerous smaller distributed resources are involved. While maintaining settlement accuracy and market integrity is critical, metering requirements should remain proportionate to the scale and risk profile of participating resources. ESC encourages the IESO to continue exploring opportunities to streamline metering requirements while maintaining measurement accuracy, auditability, and financial neutrality. This may be particularly important as DER participation expands and aggregation models evolve over time. The presentation appropriately highlights the importance of metering accuracy, traceability, consistency, and transparency in supporting wholesale market settlements. ESC supports these principles and encourages continued stakeholder dialogue regarding implementation approaches that balance data integrity with practical deployment considerations.

Wholesale Metering – Front of Meter DER/A	
Topic	**Feedback**
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 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.	

General Comments/Feedback

Energy Storage Canada appreciates the IESO's continued efforts to advance the DER Integration Project and establish a pathway for DER aggregations to participate in Ontario's wholesale electricity markets. The proposed framework represents an important step toward enabling broader participation from distributed storage and generation resources while supporting system reliability and improved transmission-distribution coordination. ESC is supportive of the

IESO's incremental and technology-agnostic approach and recognizes the importance of creating a scalable foundation for future DER participation. As the design evolves, ESC encourages the IESO to continue prioritizing transparency, implementation practicality, and efficient market participation. Particular attention should be given to ensuring aggregation frameworks do not unintentionally disadvantage storage resources relative to standalone participation models and that settlement and metering requirements remain proportionate to the services being provided. ESC looks forward to continued engagement on market operations, value stacking, settlements, and transmission-distribution coordination as the ERP DER Integration Project advances. The project's objectives of enabling wholesale market access, operational coordination, and enhanced visibility represent important building blocks for integrating distributed energy resources at scale in Ontario. ESC supports the IESO's incremental approach to DER market integration and recognizes the value of establishing a workable framework for front-of-the-meter (FTM) DER aggregations as an initial step. As future design work progresses, ESC encourages the IESO to ensure that decisions made through the FTM framework do not unintentionally limit future participation pathways for other DER configurations, including behind-the-meter (BTM) storage resources. BTM storage can provide significant flexibility and reliability benefits to both the bulk and distribution systems, and future participation models should maintain sufficient flexibility to accommodate a broad range of resource configurations and evolving customer use cases. As such, ESC encourages the IESO to continue considering how current design decisions related to aggregation, settlement, and coordination may interact with future BTM market integration efforts.