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: 06/11/2026

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.	Click or tap here to enter text. Market Participation Model: What is IESO's rationale for separating participation models for FTM (front-of-the-meter) and BTM (behind-the-meter) resources? Eligibility Requirements: • Please confirm and clarify that DER/DERA can be connected as either FTM or BTM, but not as both. • Please clarify the minimum size requirement of individual DERs that can aggregate to a minimum DERA size of 1 MW. • Please clarify whether existing Embedded Wholesale Market Participants (EWMPs) and non-EWMP Distributed Energy Resources (DERs) that receive IESO contract payments or spot market payments would be eligible to participate under the proposed framework. Market Participant Requirements for FTM DERAs: Slide 20 states that "The aggregator has the flexibility to utilize the DER contributors to its DERA in any combination to comply with dispatch and meet obligations," It would be helpful to have clarity on how distribution system operational constraints are expected to be considered. This would include planned and unplanned outages, switching activities, feeder transfers, system restoration activities, and other local operating conditions that may affect DER availability or dispatch capability. Safe, Reliable Operation of the Distribution System: The IESO should

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	clearly establish that the safe and reliable operation of the distribution system takes precedence over market dispatch instructions and define how potential conflicts between local system needs and DER dispatch will be managed. It is the DER/DERA's responsibility to appropriately size and manage its portfolio to account for these distribution system considerations. As DER participation in IESO markets increases, clear roles, responsibilities, and operational protocols are needed to ensure distributors can maintain system reliability while supporting efficient market participation.

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.	Click or tap here to enter text. Terminology: Please confirm that “load service station” is same as “"transformation connection" facility as defined in the OEB Transmission System Code (TSC) Distributor Totalization Tables: Please confirm that the load and generation associated with IESO market participant DERs/DERAs will continue to be deducted from the distributor's upstream IESO wholesale settlement meters as part of the IESO settlement process, consistent with the current approach. • Increased DER/DERA participation will add complexity to distributor totalization tables and increase ongoing administrative effort. Each meter addition, removal, or replacement would require updates to the distributor’s totalization tables. • In addition, wholesale metering errors or data issues related to DERs/DERAs could impact the distributor’s IESO settlement results and lead to settlement adjustments. • The existing IESO Totalization Table and Site Registration Report (SRR) processes require manual maintenance and updates. We encourage the IESO to explore opportunities to automate these processes to reduce administrative burden and improve efficiency for distributors. LDCs can collaborate with the IESO in evaluating and implementing automation solutions that provide mutual operational benefits.

Applicable Transmission and Distribution Rates: Please confirm that DER/DERA will pay applicable transmission and distribution rates stated in distributor's OEB approved Rate Schedules.

- Please confirm that all FTM battery energy storage system (BESS) would be exempt from UTR (Uniform Transmission Rates).
    - In the OEB UTR generic hearing (EB-2021-0243, EB-2022-0325), OEB issued decision to exempt Tx-connected energy storage facilities from UTR charges effective April 1, 2026.
        dec_rate order_Generic Hearing UTR Phase 2_20260331
        dec_on Issues 4-5 and 6_UTR_20250327_esigned
    - Exemption below: "The PTS is not applicable to Electricity Storage Facilities for Charging Energy that is withdrawn for the following reasons:
      (1) For the purpose of providing operating reserve, reactive support, or regulation service to the IESO;
      (2) In response to a real-time market energy dispatch to withdraw energy; or
      (3) In response to a manual dispatch from the IESO for reliability of the transmission system."

Settlement Approach for Other Scenarios: Please clarify the proposed

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	approach for scenarios where DER/DERA is unable to meet IESO dispatch requirements due to planned or unplanned outages, load transfers, or other constraints in the transmission and distribution system. Collaboration with LDCs: We encourage the IESO to collaborate with LDCs to determine the settlement and IESO declaration requirements for wholly embedded distributors and IESO Market Participant distributors.
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.	LDC Conditions of Service: An aggregator (Market Participant) may not be a party to the Distribution Connection Agreement between the distributor and the facility (DER) owner. As a result, distributors may not recognize or have a direct contractual relationship with the aggregator, as the aggregator is not the facility owner. Since the LDC's Conditions of Service would apply to all LDC-connected DER facilities, the LDC would settle with its customers per their contract or spot price. LDC Role: We request the IESO to clarify what the anticipated role of the LDC would be.

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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.	Click or tap here to enter text. Collaboration with LDCs: We understand that Slide 21 is intended for illustrative purposes only. It would be helpful for the IESO to work collaboratively with the OEB and LDCs to determine value stacking, DER prioritization, and sharing of DER dispatch schedules (for system reliability purposes) with LDCs through a comprehensive stakeholder consultation process before advancing any specific approach. IESO should partner with LDCs to review DER stacking for wholesale and local market participation through a joint technical working group.

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	Click or tap here to enter text. Loss Adjustment Factors: Please confirm that distributor's loss adjustment factors (stated on distributor's OEB Approved Rate Schedule) would apply.

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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

Click or tap here to enter text.

Slide 35 states that “While FTM DER/As may provide stacked services to both the bulk and distribution systems, the wholesale meters cannot identify or separate between services. As such when deemed to have market participation, those resources will remain within the IESO. control.area under the current project scope”. Can the IESO clarify what is meant by the term “IESO control area”? Specifically, how does this concept apply to bulk system and local market participation, and the coordination of resources across the two?

Additional Comments

TDWG

The TDWG involved approximately three years of substantial collaborative technical work and investment by the IESO, LDCs, aggregators and other stakeholders. This work established common coordination principles, functional requirements, operational protocols and a shared-platform concept. The IESO should demonstrate how these deliverables are being incorporated into ERP, explain any proposed deviations, and re-establish collaborative technical engagement to advance implementation rather than duplicate previous efforts.

DSO Model Neutrality

The proposed ERP arrangements effectively default to a Dual Participation model by placing responsibility for coordinating wholesale and distribution market commitments with aggregators, while the OEB's DSO consultation remains underway. Establishing market rules, systems and operational processes around this approach risks predetermining future regulatory outcomes and creating unnecessary transition costs. The IESO should adopt a model-neutral coordination architecture that supports either DSO model without requiring subsequent redesign.

Common Coordination Platform

The Local Flexibility Market initiative being developed by Alectra, Hydro One, Toronto Hydro and Hydro Ottawa includes coordination capabilities consistent with TDWG principles. The IESO should engage with these partners to leverage the work already underway toward a single, standardized coordination architecture integrated with IESO systems, rather than establish duplicative processes and interfaces.

Safe and Reliable Distribution Operations

Distributors must have clearly defined and enforceable mechanisms to communicate operating limits, restrict or override resource dispatch where distribution reliability is threatened, and initiate necessary curtailment. The framework must specify response timelines, resolution of conflicting instructions, and treatment of associated market obligations and liabilities. Requesting operational support from the IESO is not equivalent to having enforceable operational authority.