Feedback Form

Enabling Resources Program (ERP) - Storage and Co-located Hybrid Integration Project

Phase 1 Settlements Design Module

Meeting Date: August 6, 2026

Feedback Provided by:

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Date: August 20, 2026

Following the **August 6, 2026**, webinar, 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 **August 20, 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.

Please provide feedback on the overall Settlements design within the Storage project of ERP.	Energy Storage Canada (ESC) appreciates the IESO's continued refinement of the SMSR settlements framework and the additional clarity provided during the August 6 session. The worked examples and formula corrections were helpful for participants preparing modelling and implementation plans. ESC remains concerned about the proposed treatment of Make-Whole Payments, particularly the offsetting of perceived profits across intervals. While ESC recognizes the intertemporal nature of storage, this approach risks reducing compensation for uneconomic dispatch, introduces uncertainty into project economics, and may discourage full participation. ESC supports the IESO's decision to pause changes and initiate a broader engagement on MWP treatment for all energy-limited resources. ESC also reiterates the need for safeguards around Initial State of Charge submission. Forecasting SoC many hours ahead exposes participants to material settlement risk, especially when real-time conditions can shift significantly. ESC encourages the IESO to explore options such as tolerance bands or restatement closer to real time to reduce exposure to unavoidable forecasting error. Additional clarity is still needed on how forced discharge, particularly when driven by system conditions or binding SoC parameters, will be treated in LC/LOC calculations. ESC recommends further examples to ensure participants understand how operator-driven and system-driven outcomes will be distinguished. Finally, ESC continues to emphasize the importance of timely and transparent settlement inputs. While expanded data publication is out of scope, visibility into dispatch, pricing, and

	EOP outputs remains essential for participants to validate settlement outcomes under the new framework.
Please provide specific scenarios or examples you would like the IESO to consider in the upcoming engagement on Make-Whole Payments for Energy Limited Resources in Q3 or Q4 of 2026.	ESC recommends that the IESO include several targeted scenarios to help participants understand how Make-Whole Payments will function across different operating conditions: • High-price SoC divergence periods, where dispatch and EOP diverge during sustained price spikes, illustrating how multi-interval netting affects compensation. • Multi-interval reliability events, including periods where SoC constraints evolve across several hours and influence both LC and LOC outcomes. • System-driven forced discharge, such as congestion or reserve scarcity conditions, showing how settlement distinguishes operator-driven actions from DSO-driven outcomes. • Low-SoC recovery scenarios, where uneconomic charging is required to restore flexibility, demonstrating how "apparent profits" are treated within the MWP framework. • Participation in multiple services, including examples where regulation or reserve schedules interact with energy dispatch and influence SoC divergence and settlement results. • Long-duration storage operations, reflecting the growing fleet of 8-hour resources and how multi-interval MWP treatment applies across extended cycling horizons.

General Comments/Feedback

ESC appreciates the IESO's responsiveness to stakeholder feedback and the commitment to further engagement on MWP treatment for energy-limited resources. As Ontario prepares for significant storage participation across markets and procurement programs, it is essential that settlement design remain predictable, operationally workable, and aligned with real-world storage performance.

ESC encourages continued operator-focused guidance, including additional day-in-the-life examples and clear documentation of settlement inputs. ESC also supports the IESO's plan to provide market trials, which will be critical for participants to validate systems and reduce uncertainty ahead of go-live.

As the ERP evolves, ESC looks forward to ongoing collaboration to ensure the framework supports reliability, transparency, and long-term investment confidence for storage resources in Ontario.