

Feedback Form

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

Phase 1 Settlements Design Module

Meeting Date: May 22, 2026

Feedback Provided by:

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Following the **May 22, 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 June 5, 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.

Settlements Design Memo Feedback:

The following table is intended to capture feedback on the Settlements design memo within Phase 1 of the ERP Storage and Co-located Hybrid Integration project.

Please provide feedback or concerns with the design concepts included in the Settlements design memo.

ISoC Divergence and Settlement

Exposure Stakeholders previously raised concerns about financial exposure arising from divergence between the submitted Initial State of Charge (ISoC) and the actual SoC at the start of real-time operations. The May 22 materials acknowledge that SoC may evolve differently in the Dispatch Scheduling and Optimization (DSO) and Economic Operating Point (EOP) engines but do not propose any settlement mechanism to mitigate this exposure. ESC recommends that the IESO evaluate whether tolerance bands, adjustments, or other safeguards are appropriate to avoid penalizing operators for unavoidable forecasting error.

Forced Discharge and LC/LOC Treatment

In earlier feedback cycles, stakeholders requested clarity on how the DSO's ability to force discharge, particularly when MaxSoC is reduced, would interact with settlement outcomes. The May 22 Settlements presentation does not address how forced discharge will be treated in Lost Cost (LC) & Lost Opportunity Cost (LOC) calculations. ESC requests that the IESO clarify how settlement engines will distinguish between operator-driven dispatch and DSO-driven forced discharge to avoid unintended lost cost outcomes.

Data Transparency to Validate Settlement Outcomes

Stakeholders have repeatedly emphasized the need for enhanced market data transparency to support analysis of ERP-driven changes, including validation of settlement outcomes. While the IESO has stated that expanded data publication is out of scope, ESC reiterates that improved visibility into dispatch, pricing, and settlement inputs will be essential for participants to understand and validate the behaviour of the new settlement framework.

Please provide specific scenarios or examples you would like the IESO to consider including in upcoming engagement sessions

General Comments/Feedback

Energy Storage Canada (ESC) appreciates the IESO's continued work to advance the Settlements and EOP design for the SMSR. As the design becomes more detailed, ESC encourages the IESO to continue prioritizing clarity, predictability, and operational feasibility for market participants. These elements are essential given the multi-interval nature of storage operations and the sensitivity of settlement outcomes to SoC-driven constraints.

ESC also highlights the importance of ensuring that the settlement framework remains aligned with the broader objectives of the Enabling Resources Program, including transparency, efficiency, and fair treatment across resource types. As implementation progresses, ESC encourages the IESO to continue providing practical examples, operator-focused guidance, and opportunities for participants to test and validate settlement outcomes ahead of go-live.

ESC thanks the IESO for considering this submission and for its ongoing collaboration with the storage sector as the design evolves.