

Energy Storage Design Project – Feedback Form

June 24, 2020

<u>Date Submitted:</u> <u>2020/07/15</u>	<u>Feedback Provided By:</u> Company Name: EDF Renewables Canada Inc. ('EDF') Contact Name: David Thornton Contact Email: [REDACTED]
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Following the June 24, 2020 Energy Storage Advisory Group (ESAG) meeting to discuss the Energy Storage Design Project, the IESO is seeking feedback from participants on the draft redlined Market Rules and Manuals and the recommended approach to uplift charges. The IESO will work to consider feedback and incorporate comments as appropriate and post responses on the engagement webpage. The referenced presentation and associated redlined Market Rules and Manuals can be found under the June 24, 2020 entry on the [ESAG webpage](#).

Please provide comments relating to the section of the draft amendments in the corresponding box in table 1 below. Please include any views on whether the draft language clearly articulates the requirements for either the IESO or market participants, and provide any alternative language by inserting the draft language and red-lining the suggested changes (example below). Further, please provide comments relating to the uplift proposal in table 2 below.

Redlined Market Rules and Market Manuals		
Chapter or MM Name	Section Reference	Stakeholder Comments
<i>E.g., Ch7</i>	<i>E.g., Section 21.2</i>	<i>Stakeholder comment</i>
<i>E.g., MM 4.2</i>	<i>E.g., Section 1.2</i>	<i>Stakeholder comment</i>

Please provide feedback by **July 15, 2020** to engagement@ieso.ca. Please use subject: *Feedback: Energy Storage Design Project*. To promote transparency, this feedback will be posted on the [ESAG webpage](#) unless otherwise requested by the sender.

Thank you for your time.

Table 1

Redlined Market Rules and Market Manuals		
Chapter or Market Manual Name	Section Reference	Stakeholder Comments
<i>MR Chapter 7: System Operations and Physical Markets</i>	2.2.9A	<p>In response to the February 18th, 2020 ESAG meeting for the Storage Design Project (SDP) interim design recommendations, EDF recommended that self-scheduling for energy storage should be eliminated except for facilities providing regulation service (due to the limitations of the IESO tools).</p> <p>EDF believes that a core objective of the Market Renewal Program (MRP) is to encourage more market-based mechanisms and greater market participation in the IESO-Administered Market (IAM). Requiring energy storage to be dispatchable resources achieves this objective. Dispatchable ESRs supports the MRP design principles: efficiency (i.e., better dispatch instructions), competition (i.e., more participants in the IAM), implementability (i.e., does not require unique treatment for ESRs), certainty, & transparency (i.e., energy storage facilities participation is clear).</p> <p>The IESO response in the May 20th ESAG presentation stated that lowering the self-scheduling threshold to 10 MW will impact multiple resource types and therefore would not be included in the interim SDP. However, in reviewing the proposed market rule changes and the definition of self-scheduling, the IESO amendments for energy storage self-scheduling does not impact any other resource types. That is, the market rule amendments address self-scheduling for energy storage resources independently from treatment for other participant types. As a result, the ability for energy storage to select being self-scheduling is a stand-alone section. In EDF’s opinion, the reasoning provided by the IESO to ignore eliminating the self-scheduling threshold for energy storage resources is not clear. Therefore, EDF again</p>

		recommends that the IESO consider removing self-scheduling for all energy storage resources to reduce the potential impact on non-dispatchable load, encourage greater market participation and ensure energy storage is an active participant in the IAM.
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Table 2

Uplift Charges	
Topic	Feedback
Proposal: Storage should be exempt from uplift charges on 'fuel'	EDF supports the proposed exemption from uplift charges for energy storage resources. EDF agrees that energy storage resources are not end-use customers and therefore are intermediaries in the Ontario electricity system.

General Comments/Feedback:

Recently, the IESO has been clear in their intention to not fully integrate the participation of energy storage technologies as part of the MRP. While EDF continues to recommend the IESO reconsider that decision, the proposed interim SDP market rule and market manual changes presents an immediate pressing issue. The comprehensive changes proposed establish the concept of an energy storage resource in the IAM and participation expectations based on the existing IESO market tools. The MRP is proposing to overhaul the market rules, market manuals and IESO tools. The currently published detailed design documents for MRP do not include any coordination efforts for the proposes outlined in the SDP. EDF strongly recommends that the IESO provide guidance and information how decisions made in the interim phase of the SDP (i.e., the existing draft market rule and market manual amendments) will be incorporated into the MRP detailed design.

Further, EDF believes there is significant potential for energy storage resources to provide value to both the IAM and electricity infrastructure (i.e., transmission and distribution systems). It is not clear to EDF how the Ontario Energy Board and IESO are coordinating on treatment of energy storage resources and it is likely to harm the ability for energy storage to achieve it's full value proposition in Ontario. EDF recommends that the IESO and OEB consider coordinating regulatory framework changes to ensure the full value of energy storage is realized for the benefit of Ontario electricity customers. For example, during system planning and preferred solution selection for power system needs the treatment of wholesale market revenue is inconsistent and overly conservative. The IESO and OEB should work with stakeholders to determine how estimates of future wholesale market revenue should be treated with respect to planning decisions and rate-recovery for electric utilities.