Energy Storage Design Project – Feedback Form

June 24, 2020

Date Submitted:	**Feedback Provided By:**	
2020/07/15	Company Name:	Energy Storage Canada
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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**
E.g., Ch7	*E.g., Section 21.2*	*Stakeholder comment*
E.g., MM 4.2	*E.g., Section 1.2*	*Stakeholder comment*

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**
Ch5	Section 4.5.1.3	Is there a requirement for a separate designation to provide 10 minute synchronized OR for the PGS if there is are new definitions for "energy storage" as outlined in Chapter 11?
Ch7	Section 8.4A.9B and C	The use of average historical offers and bids does represent the day to day participation of energy storage facilities. However, a storage facility that cycles daily would have costs and opportunity based on the current day prices not historic.
Ch7	Section 21.3	Energy storage providing regulation is permitted to be registered up to 50 MW as a self-scheduling resource. What happens if the facility is not selected for regulation service on a specific day can it still provide energy up to 50MW as a self scheduling generator/load?
Ch5	Section 4.5.13B	Energy Storage Canada acknowledges the inclusion of the ability for energy storage to provide 10-minute synchronized reserve
Ch5	Section 8.4	Energy storage facilities will participate as quick start therefore ESC is not sure they should be included in this section.
Ch7	Section 8.4A	Compensation/cost for an Energy Storage facility cycling daily should be based on the administered prices not historic average offers/bids. A resource consuming and returning the energy to the market to capture opportunity on a daily basis is not the same as a generator with external fuel costs or loads producing products for external consumption.
Ch7 MM7.1	Section 11.2 and 11.3 Section 4.2.4	Seeking clarification on the communication requirements. Energy Storage registered as quick start will have to call prior to synchronization and de-synchronization but not provide the two-hour and one-hour notification?
MM1.5	Section 3.11.4	The restriction to energy for 130 minutes should be reviewed and reduced to improve market efficiency while maintaining grid reliability. The ability to remove OR offers within the mandatory window based on storage capability would provide incremental OR capacity to the market.
MM5.5	Section 1.6.32	Energy storage flexibility and high ramp rates make this section unnecessary

Table 2

Uplift Charges	
Topic	**Feedback**
Proposal: Storage should be exempt from uplift charges on 'fuel'	ESC supports the proposed exemption of uplift charges for storage facilities. The application of a "fuel tax" would produce incremental costs that would be borne by all consumers with no value or efficiency gain. The implementation of the proposal to only apply the exemption to fuel utilized in the provision of services requires further evaluation. ESC is of the opinion that station service or other load withdrawn that allows for the storage facility to operate should be included in the uplift exemption. The cost of installing separate station service metering and communications would be extensive with minimal benefit to the market. Settlement of the fuel exemption based on percentage of consumption would be more reasonable. The IESO should work with market participants and the OEB to evaluate the benefits of removing all "fuel" related uplifts. The precedent has been set in the regulation services contracts and should be applied to all services provided by energy storage facilities.

General Comments/Feedback:

Energy Storage Canada (ESC) appreciates the opportunity to provide feedback on the Energy Storage Design Project. The interim and long-term solutions are a start in reducing the barriers that currently limit the efficient utilization of energy storage facilities in the IESO Administered Market. The proposal to exempt IESO administered uplifts from the fuel energy storage facilities consume in the provision of wholesale market services is a good start but should also be applied to all uplifts (GA, IESO, transmission etc). ESC would work with the IESO and market participants to present the benefits of full uplift exemptions to the government and OEB.

On a side note, it appears Market Manual 4.3 is not red-lined.