

Energy Storage Design Project – Feedback Form

June 24, 2020

<u>Date Submitted:</u> 2020/07/15	<u>Feedback Provided By:</u> Company Name: Hydro One Networks Inc. Contact Name: Jason Savulak 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
Ch11	<p>Definitions for:</p> <p>(a) aggregated electricity storage facility size</p> <p>(b) aggregated electricity storage unit size</p>	<p>Since storage facilities aren't 100% efficient, isn't it always the case that the withdrawal limit will define the maximum injection output, such that the maximum injection limit will always be less than or equal than the withdrawal limit. Therefore, should the size of a storage facility or unit not simply be based on the withdrawal limit?</p>
Ch4	Section 1.1.1.2	<p>Typo – I believe it should be "embedded electricity storage facilities"</p>
Ch4	Appendix 4.2	<p>In reading the proposed revisions to Appendix 4.2, the performance requirements apply to generation facilities connected to the IESO-controlled grid whereas the performance requirements apply to storage units connected to the "electricity system". Can the IESO clarify what is meant by this distinction and what additional storage units could be captured by the reference to the "electricity system"?</p> <p>The applicability section of the table in Appendix 4.2 should be updated to reference the applicable storage facilities as it currently only references generation facilities.</p>
Ch5	Section 7.1.6	<p>Consider re-wording this requirement</p>
Ch5	Section 8.1.1	<p>As currently worked, I'm not sure if it makes sense to reference the actions itemized in 8.1.1 as being applicable to storage facility as they don't all apply. The IESO may want to consider listing the control action(s) that could be initiated by an SPS to a storage facility.</p>

Table 2

Uplift Charges	
Topic	Feedback
Proposal: Storage should be exempt from uplift charges on 'fuel'	In general, Hydro One agrees with the approach proposed by the IESO to exempt storage from uplift charges if the facility withdraws energy from the grid as “fuel” for the sole purpose of injecting power back into the grid to provide grid ancillary services. Hydro One does not believe that storage facilities, such as those connected behind the meter of a load facility, that operate to manage end-use consumption or engage in energy arbitrage should be exempt from paying uplift charges. Hydro One would appreciate if the IESO could clarify if their intent is only to exempt those storage facilities that are providing ancillary services to the IESO grid. Therefore, it would be our presumption that this exemption would only apply to registered storage participants.

General Comments/Feedback: