Feedback Form

Hybrid Integration Project – October 24, 2022

Feedback Provided by:

Name: Ted Wigdor

Title: Vice President, Policy, Government & Corporate Affairs

Organization: Electricity Distributors Association

Email: [redacted]

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Following the October 24, 2022 webinar on the Hybrid Integration Project, the IESO is seeking feedback from participants on clarity of the design designs, as well as on the proposed market rule amendment and associated market manual changes.

The referenced presentation can be found under the October 24, 2022 entry on the Hybrid Integration Project webpage.

Please provide feedback by November 16, 2022 to engagement@ieso.ca. Please use subject: *Feedback: Hybrid Integration Project.* To promote transparency, this feedback, if provided in an AODA-compliant format (e.g. using this form) will be posted on the Hybrid Integration Project webpage unless otherwise requested by the sender.

Thank you for your time.

Design decisions

Topic	Feedback
Do the design decisions to implement the co-located hybrid model in the current market provide adequate clarity for implementation?	The EDA anticipates that the deployment of storage will yield many benefits. We recognize that the co-located model is similar to the IESO's existing model for stand-alone storage and, for this reason, expect that it will be able to be readily implemented. To provide greater clarity to the electricity market, we see benefit in the IESO providing a holistic view of all market rule amendments currently under consideration by the IESO related to enabling resources. The IESO should provide a complete list and timeline of all proposed market amendments including: • Timelines for implementing the foundational co-located model (e.g., similar to those provided during the October 24th presentation) • Timelines for implementing the Long-Term Storage Design Vision (e.g., investments in IESO tools changes, etc.) • Timelines for implementing foundational integrated hybrid model (e.g., as provided during the October 24th presentation) • Timelines for implementing the foundational DER market vision • Timelines for implementing enduring market changes required for both the hybrid participation model (co-located and integrated) and DER integration The IESO is managing several proposed changes related to the evolution of the wholesale market and the IESO's tools. To enhance certainty, we suggest that each

	future IESO proposed schedule update address, adjust and revise all aspects of the schedule as well as related timeframes. For example, the IESO could publish on a quarterly basis a complete and up-to-date schedule of all market proposed design changes.

Proposed market rule and market manual changes

Topic	Feedback
Do you have any feedback on the proposed market rule amendment and associated market manual changes?	The proposed changes appear complete and capable of supporting the implementation of the interim co-located hybrid market design as outlined.

General Comments/Feedback

The EDA continues to recommend ongoing engagement with LDCs as the IESO consults on upcoming requests for proposals (RFPs) for whether and how changes to existing facilities will impact LDC operations (e.g., metering, billing, deliverability). We have previously identified the possibility that many of the over 120 generators that are distribution connected and greater than 1MW may convert to become co-located hybrids (e.g., to support them in responding to upcoming RFPs). Regardless of whether these facilities continue to operate as embedded retail generators or convert to hybrid generators (i.e., IESO market participant generation), LDCs will need to be well prepared for how these operations may impact the LDC's operations.

The co-located hybrid design is likely most desirable for existing generators as it can be implemented, in many cases, without the need to perform major rework of the existing facility. It is important to recognize that the facility's contract with the IESO will need to be amended to reflect the facility's changed status from being an embedded retail generator to being an embedded wholesale market generator. These contractual changes and all the related technical changes must be communicated to, and coordinated with, the LDC.

In the long run, the integrated hybrid model may be more desirable for new-build facilities, as it is expected to have operational and cost efficiencies. As the IESO's DER potential study demonstrates that there is a high potential for new solar and wind connected to the distribution system in the next 10 years, LDCs need to be prepared that these new resources will seek to configure themselves as integrated hybrid facilities. Because it is unknown at this time how many of them will rely on the integrated hybrid model, it is imperative for the IESO and LDCs to communicate and coordinate so that LDC planning and operations are well supported.