

Innovation and Sector Evolution White Paper Series – Feedback Form

Exploring Expanded Distributed Energy Resource (DER) Participation in the IESO Administered Markets (IAMs): Part 2: Options and Considerations for Enabling DER Participation

Webinar Date: January 30, 2020

<u>Date Submitted:</u> 2020/02/10	<u>Feedback Provided By:</u> Company Name: Markham District Energy _____ Contact Name: Peter Ronson _____ Contact Email: [REDACTED] _____
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On January 30, 2020 the IESO held a public webinar on the DER white paper series, presenting draft high-level options and considerations to enhance DER participation in the IAMs. The IESO is now seeking feedback on these draft options. This feedback will be used to help determine which options and approaches are more fully explored in the second DER white paper. The IESO will work to consider and incorporate comments as appropriate and post responses on the engagement webpage.

The referenced presentation can be found under the January 30th, 2020 entry on the [Innovation and Sector Evolution White Paper Series Engagement Webpage](#).

Please provide feedback by February 13, 2020 to engagement@ieso.ca. Please use subject: *Feedback: Innovation White Paper Series - Part 2: Options and Considerations for Enabling DER Participation*. To promote transparency, this feedback will be posted on the [Innovation and Sector Evolution White Paper engagement page](#) unless otherwise requested by the sender.

Thank you for your time.

Question	Feedback
Would the draft options presented in the posted presentation enhance DER participation in the IAMs?	Yes. All of the proposed changes that allow participation and value to flow to DER resources are welcome and needed if DER resources are going to expand.
Are there other implementation considerations the IESO should be aware of?	Payment structures. See below.
Are there other options the IESO should be exploring in the second DER white paper?	

General Comments/Feedback:

The IESO has done a lot of good work in identifying the technical and market barriers for DER resources. If the IESO follows through with the options and makes the changes, this will go a long way to improving the situation.

However, I believe the challenge facing higher levels of DER participation is stability in revenue streams over reasonable periods of time. Ontario saw tremendous participation with solar PV under the FIT contracts, as the various customers, vendors, aggregators and consultants because they could calculate the return on investment and had certainty over a number of years. There are lots of views on the rates paid under FIT, but the stability and predictability is what brought customers and investors to the market. The ‘smaller’ DER installations don’t typically have the financial flexibility to take much or any electricity market risk. More sophisticated aggregators may play a role here (which the IESO has identified), but you are not going to have many end-use customers, where electricity is not their primary business, investing without certainty. I understand this is a difficult topic as it crosses between the IESO, the OEB, LDC’s, energy policy, financial transparency and ratepayer value. Unless we can get this right, there will be limited take-up except opportunistic installations (i.e. ICI GA avoidance) despite a lot of benefits.