

# Feedback Form

## White Paper Part II: Exploring Expanded DER Participation in the IESO-Administered Markets – November 19, 2020

### Feedback Provided by:

Name: Justin W. Rangooni

Title: Executive Director

Organization: Energy Storage Canada

Email: [REDACTED]

Date: December 10, 2020

Following the November 19, 2020 webinar to discuss Part II of the Exploring Expanded DER Participation in the IESO-Administered Markets white paper, the IESO is seeking feedback from participants on the draft paper, including on the participation options, which will inform planning for future work to enable DERs. The IESO will work to consider feedback and incorporate comments as appropriate and post responses on the engagement webpage.

The referenced presentation can be found under the November 19, 2020 entry on the [Innovation and Sector Evolution White Paper Series webpage](#).

**Please provide feedback by December 10, 2020 to [engagement@ieso.ca](mailto:engagement@ieso.ca).** Please use subject: *Feedback: DER White Paper*. To promote transparency, this feedback will be posted on the [Innovation and Sector Evolution White Paper Series webpage](#) unless otherwise requested by the sender.

Thank you for your time.

## DER Participation in IAMs

| Topic  | Feedback  |
|--|---|
| <p>Which of the options would be most effective to encourage DER participation in the IAMs? Why?</p> | <p>ESC is encouraged by each of the options identified by the IESO that merits further consideration or piloting. However, we consider the following priorities for our members:</p> <ul style="list-style-type: none"> <li>• Option 8 a, b – hosting capacity and system needs information is critical information as resources plan future development</li> <li>• Options 6 a, b, c - alternative telemetry sources can reduce complexity and expense which would make participation in the wholesale market more economically viable</li> <li>• Option 3 b – enabling multi-nodal aggregation of energy storage could create a participation opportunity for existing embedded storage and customers with behind-the-meter storage that might not otherwise participate</li> </ul> <p>In addition, we believe the IESO should re-consider option 7 b with respect to sharing day-ahead schedules with LDCs. ESC suggests that coordination with LDCs with respect to day-ahead schedules is important as more DERs, including energy storage, participate in IAMs. Given that this is a complex topic, it is likely to require extensive discussion amongst stakeholders. Further, given FERC Order 2222, we believe that there will be opportunities to learn from other jurisdictions to inform new approaches. We, therefore, recommend that IESO plan for continued input and engagement on this topic stakeholders and that this topic merits further consideration in the near term.</p> |

## Potential Impacts to Stakeholders

| Topic   | Feedback   |
|---|--|
| <p>Are there additional potential impacts to stakeholders that have not been explored in the white paper?</p> | <p>ESC believes that the IESO's whitepaper has appropriately captured the potential impacts to stakeholders, including energy storage providers and customers adopting behind-the-meter storage.</p> |

## Implementation Considerations

| Topic  | Feedback  |
|--|---|
| Are there additional implementation considerations that have not been explored in the white paper? | ESC recommends that the IESO should add “Electricity pricing and cost allocation policy” to the list of implementation considerations. It is clear that electricity pricing policy is a key driver in customer decision-making regarding the adoption of behind-the-meter DERs, including energy storage. |

## Looking Ahead to Implementation

| Topic   | Feedback  |
|---|---|
| Which wholesale products/services would DER owners/aggregators seek to provide in the IAMs if these options were implemented in the future? Using what technologies? Are there specific options that would allow these products/services to be offered? | As outlined in ESC’s recent valuation study, energy storage is capable of providing a range of products and services, including energy storage that is distribution-connected. We suggest that customers and energy storage would seek to provide all products and services that it is technically capable of providing in the IAM. |

## General Comments/Feedback

ESC commends the IESO in completing this draft whitepaper and is grateful for the opportunity to provide feedback. We are in agreement in principle with the options the IESO has identified to explore further or pilot.

In terms of the general context for the draft whitepaper, we recommend the inclusion of additional background information on the deployment of energy storage in Ontario to-date, including the drivers for that deployment. The whitepaper does not acknowledge the significant amount of distribution-connected and behind-the-meter energy storage that has already connected. Rather, the IESO focuses solely on contracted and rate regulated DERs. We believe it is important to reflect the full-scale of DER deployment in Ontario in order to provide the appropriate context justifying the need for IESO to take action to better integrate DERs within the wholesale market. Specifically, the whitepaper does not account for the deployment of behind-the-meter energy storage in response to the Industrial Conservation Initiative.

We look forward to working with IESO on next steps on finalizing this whitepaper. Moreover, we look forward to working with the IESO on implementation of the options the IESO describes in the whitepaper. To support next steps, the ESC recommends that the IESO include a high-level timeline or workplan within the final whitepaper to communicate expectations for additional industry consultation on the various options proposed.