Feedback Form

Local Generation Program – June 5, 2025

Feedback Provided by:

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Organization: Energy Storage Canada

Existing contract number (if applicable): Click or tap here to enter text.

Email: [redacted]

Date: June 19, 2025

Following the June 5, 2025 webinar to provide an update on the Local Generation Program (LGP), the IESO is seeking feedback on the high-level design of the recontracting stream of the LGP

The referenced presentation and supporting materials can be found under the June 5, 2025 entry on the Local Generation Program webpage.

To promote transparency, feedback submitted will be posted on the Updates to IESO Monitoring Requirements: Phasor Data engagement page unless otherwise requested by the sender. If you wish to provide confidential feedback, please mark "Yes" below:

- ☐ **Yes – there is confidential information, do not post**
- ☐ **No – comfortable to publish to the IESO web page**

Please provide feedback by June 19, 2025 to engagement@ieso.ca. Please use subject: *Feedback: Local Generation Program*.

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1. Have you been following the IESO Medium and Long Term Procurement engagement sessions and or been reviewing those RFPs, and contracts etc?
    - Yes
    -
2. Were you aware of ERP before todays presentation?
    - Yes
    -
3. Which IESO offers are you most interested in for your facilities? Why?
    - eDSm, Unlocking DER's through LGP or the ERP. LLT and LT2 process for our broad memebrship.
    -
4. Do you need more information about the different IESO offers to make a decision? What information do you need?
    - ESC and its members are seeking to best understand the role for storage unlcoked through LGP or if that is something that will be better addressed in the ERP.
    -
5. What if any thoughts do you have around your larger (>1MW) facilities participating in the IESO electricity market?
    - ESC believes that if there is system an rate payer benefit than enabling larger than 1 MW facilties would be beneficial to the IESO.
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6. What are the top 3 reasons you might be interested in an opportunity through LGP instead of the IESO's Long Term (LT) procurement, or ERP or a corporate PPA?
    - The integration of batteries with existing distribution-connected facilities can deliver multiple benefits:
    - i) increased energy production through reduced curtailment (e.g., solar is often intentionally designed to self-curtail during peak summer hours to maximize annual production, storing this electricity for later use can avoid it being otherwise wasted);
    - ii) increased value of energy produced (e.g., through time-shifting export from off- to on-peak hours);
    - iii) increased grid capacity to accept energy from the facility (e.g., dynamic hosting capacity, and ramp management); and
    - iv) increased grid support (i.e., voltage and frequency regulation, etc.).

- To incentivize these benefits to be realized, the LGP recontracting stream should: allow for energy from an existing distribution-connected facility to be delivered directly from the facility, or indirectly from a battery integrated therewith; differentiate compensation between on- and off-peak hours (e.g., with a simple fixed price adder for pre-determined hours); and not preclude a battery co-located with a recontracted distribution connected facility to participate in bulk or non-bulk markets in future.
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7. What are the top 3 reasons you are considering building new electrical generating facilities to connect to the distribution (Dx) system instead of facilities to connect to the transmission (Tx) system?
    - N/A
    -
8. What would be the main drivers around your decision to choose some specific location to develop a facility?
    -
    - As presented in “From Small To Mighty: Unlocking DERs to Meet Ontario’s Electricity Needs” (December, 2024) (https://www.energystoragecanada.org/es-net-zero-1), LDCs are well-positioned to take on a greater role in the procurement of Distributed Energy Resources (DERs) as eDSM and as Non-Wires Solutions (NWS) due to their existing responsibilities and direct relationships with customers. LDCs are ideally suited to this because of their existing responsibilities in settlement, connection, and administration, as well as their direct relationships with customers. They have deep insights into grid capacity, enabling targeted and efficient deployment. LDCs are investing in grid modernization, enhancing their ability to integrate and manage DERs. Their experience with Conservation and Demand Management (CDM) programs and ability to design localized programs further support their role. Additionally, LDC-led initiatives can be more accessible to smaller-scale projects, avoiding the complexities of larger-scale procurements. This strategic positioning allows LDCs to effectively drive DER adoption, improve grid reliability, and support Ontario's energy and economic development goals.

Other Comments/Feedback

Topic: High Level Program Design	Feedback

New build stream, and energy storage co-located with generation	ESC is supportive of the IESO's approach to pursue opportunities to expand its assets through a supplemental stream. However, in order to maximize the value of this new build stream a hybrid approach that allows for certain technology types to bid in with storage should be given fair consideration. Additionally ESC would like the IESO to take a similar approach seen in LT2 and create capacity stream in addition to energy-only approach. The IESO has recognized in its other grid scale procurement the value of capacity enabled by storage and a similar mechanism and target should be considered here. Expanding the eligibility criteria to all distribution connected resources, including distributed energy resources and aggregations - and in particular batteries - that are behind-the-meter (BTM) in addition to front-of-the-meter, be they sited in residential, commercial, institutional, or industrial sites. Enabling BTM from all customer segments will maximize the potential for greater ratepayer savings while also empowering customers to be active participants in providing grid solutions. Furthermore, from a system operator's perspective, high performance certainty can be expected from BTM batteries to provide resource adequacy and other grid services under set operational conditions. Eligibility exclusions could apply to BTM assets that participate in the Industrial Conservation Program to prevent duplicative compensation for provision of the same service (i.e., peak capacity shaving). Expressing support for the need for a longer term (15 - 20 years) for new builds to provide sufficient revenue certainty and make the business case from a distribution-asset owner perspective. While the focus is provision of bulk services, there may be additional benefits that can be provided to LDCs from the distribution-

Topic: High Level Program Design	Feedback
	connected services. Enabling stacking of multiple (bulk and distribution) services from the same assets will help ensure that greatest ratepayer value, provided there is adequate coordination between IESO, transmitter, and LDCs. Without distribution level benefits stacked on, it will likely be challenging to make the business case from a third-party owner's perspective.
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General Comments/Feedback

Click or tap here to enter text.