

Market Development Advisory Group Feedback Form

Meeting Date: April 2, 2020

<u>Date Submitted:</u> <i>2020/04/27</i>	<u>Feedback Provided By:</u> Organization: Peak Power Main Contact: Michael Pohlod Email: [REDACTED]
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Following the April 2, 2020 Market Development Advisory Group webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the following items discussed during the meeting. The presentation, which contains the information related to these feedback requests, can be accessed from the [engagement web page](#).

Please submit feedback to engagement@ieso.ca by April 27, 2020. If you wish to provide confidential feedback, please submit as a separate document, marked “Confidential”. Otherwise, to promote transparency, feedback that is not marked “Confidential” will be posted on the engagement webpage.

Stakeholder Feedback Table

Feedback Topic	Requests	Stakeholder Feedback
Expanding Participation in Operating Reserve and Energy	Is our current focus of generator/load with behind-the-meter storage solutions consistent with stakeholder expectations of what “hybrid participation” consists of?	This is consistent with Peak Power’s hybrid participation priorities.
	Do stakeholders have experience with hybrid participation in other jurisdictions? If so, are there any learnings we should be considering from other system operators?	<p>Peak Power has experience with hybrid participation in California. We believe that there are learnings that the IESO can take from CAISO. These include:</p> <ul style="list-style-type: none"> - Enablement of Behind-the-Meter (BTM) storage to participate directly in IAMs. <ul style="list-style-type: none"> o CAISO enables BTM storage to directly participate in the market (I.E. not as a dispatchable load resource). o This provides greater flexibility for the resource to provide services to the system. Without this flexibility, the operator must take into account the load and the system when offering into market. This can force operators to derate their offerings to ensure they can accommodate load swings that they may be unable to exert control over. o It does create some issues with double-counting of energy value as the system reduces energy charges for the host load, while simultaneously being paid by the IESO for the same MWh. CAISO is seeking to address this issue in its ESDER process. - SoC incorporated into asset schedules. <ul style="list-style-type: none"> o CAISO models resource SoC and only commits resources to schedules that are physically possible. - Shorter timeframes for Bid/Offer Review <ul style="list-style-type: none"> o CAISO’s lead time for Bid/Offer Review is 75 minutes, the IESO’s is 2-hours.

		<ul style="list-style-type: none"> ○ This additional lead time expands the SoC uncertainty bands that must be dealt with by Energy Storage Hybrid System Operators. As a result, the IESO is likely to force these assets to derate their offers into market to limit how often they revise bids and offers in the mandatory window. <p>Peak Power has also begun to explore registering some of its behind-the-meter resources in the Demand-Side Ancillary Service Program in NYISO (DSASP). This is an interesting program as it enables hybrid resource participation under a Dispatchable Load model. Peak cannot speak at length about DSASP as it has not completed registration at this time, but we have reached out to some of our partners in New York regarding their experiences with the program.</p>
	<p>Are the requirements to participate in energy and operating reserve (OR) clear and understandable?</p>	<p>The general requirements are clear and understandable. However, Peak has come up against specific concerns that the IESO has with a Hybrid project that Peak operates that lead us to believe there are additional criteria that are not included. This example has already been brought to MDAG through comments and conversation.</p> <p>In addition, Peak would like to ask if facilities contemplated under EPOR-E will have to be direct-connect facilities? A large number of behind the meter storage resources are utility connected and Peak is worried that this could prevent their participation.</p>
	<p>Based on the models and opportunities presented, is it clear what could be limiting a resource from participating?</p>	<p>Based on the presentation, it is clear that a number of decisions were made in the past that prevent or limit resources from participating. Key examples include: the 1MW Resource limit and the modelling and dispatch of DR resources at an hourly and zonal level. Many of these limitations are not based on regulatory requirements or the capabilities of the resources to follow energy</p>

		<p>and OR signals. Peak Power recommends that the IESO evaluate what steps could be taken within reasonable timelines to begin relaxing some of these requirements to enable greater market participation.</p> <p>Additionally, Peak believes it is pivotal for the IESO to evaluate the current cost and timelines of interconnection and metering for smaller sites. It is possible that these costs and timelines are creating a de facto barrier for some sites that can otherwise participate.</p>
	Based on the information that was presented, are your resources or a subset of your resources capable of meeting our current requirements?	A number of resources that Peak operates are capable of meeting requirements to provide Energy and Operating Reserves. In addition, Peak Power's Demand Response portfolio is capable of responding to 5-minute signals and we remain interested in exploring tests with the IESO to respond to energy and OR market signals.
	Have you come across similar issues for participation in other markets?	Peak Power has requested comments from its partners in other markets regarding the barriers they are facing, but has not run across similar issues in other markets at this time.
	Are you interested in participating in an individual teleconference with the IESO to discuss any participation issues for the resource types identified?	Happy to continue discussions about our projects and overall portfolio with the IESO. We have already had a conversation with some IESO Staff regarding a specific hybrid project.
Transmission Rights Clearing Account (TRCA) Disbursement Methodology	Please provide feedback on the revised disbursement methodology proposal here.	No comment.
	Please provide any feedback on the engagement approach here.	No comment
	Is the proposed scope appropriate?	No comment

Transmission Rights Market Review	Does the sequencing of stages make sense or should MRP changes be prioritized?	Peak Power believes that MRP changes should be understood prior to launching the effort to make near-term changes to the TR market. Without understanding what changes are going to occur for MRP, it is possible that a substantial effort may be undertaken that will be undone shortly.
	Are the timelines realistic?	Two quarters seems potentially condensed for the complexity of the longer-term improvements scope.
	What stakeholder constituents would be most interested in participating in the review?	No comment
	How often would MDAG like to be engaged?	I think it would be good to provide an update to MDAG when each stage reaches key deliverables. For example, when the findings of the value assessment are presented or when options are presented for short-term improvements.
	What level of involvement would MDAG like to play?	MDAG is an important stakeholder that should help evaluate near and long-term improvements to ensure that they promote cost-effectiveness and reliability.
	What do MDAG members believe is the purpose of the TR market?	The purpose of the TR market is to provide a hedge against the risk of congestion at interties in to and out of Ontario. As congestion is allowed to occur in the province after MRP is complete, Peak believes it could also be used to hedge against congestion risk between IESO zones.
<p>General Comments:</p> <p>Peak Power appreciates the work that the IESO is doing to improve access to the IESO Administered Markets. Peak would also like to emphasize that a number of ISOs in North America have successfully used “demand response resources” to enable DER and DR contributions to ancillary services and energy and would encourage the IESO to explore methods of enabling subsets of or all DR resources to contribute in the IESO as part of the EPOR-E initiative.</p>		