

# Feedback Form

## Resource Adequacy – August 26, 2021

### Feedback Provided by:

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Date: September 17, 2021

To promote transparency, feedback submitted will be posted on the Resource Adequacy webpage unless otherwise requested by the sender.

Following the August 26, 2021 Resource Adequacy webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the following discussed items. Background information related to these feedback requests can be found in the presentation, which can be accessed from the [engagement web page](#).

**Please submit feedback to [engagement@ieso.ca](mailto:engagement@ieso.ca) by September 17, 2021.** If you wish to provide confidential feedback, please mark the document "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

## Capacity Auction – Review of Performance Obligations and Assessment Framework Recommendations

Topic	Feedback
<p>What questions or feedback do you have on Proposed Change #1 – <b>Test to Capability for All Resources</b></p>	<p>ESC is supportive of a level-playing field approach with respect to testing capabilities; however, we continue to have concern with respect to the IESO’s proposed methodology for establishing ICAP for dispatchable storage and HDR resources, as expressed in previous submissions. Specifically, we are concerned with the establishment of an arbitrary EFORd (5%) that is not supported by any IESO analysis, and we continued to be concerned about determining UCAP based on past performance of HDR resources.</p>
<p>What questions or feedback do you have on Proposed Change #2 – <b>Changes to Thresholds</b></p>	<p>ESC acknowledges that the IESO proposes to reduce capacity test thresholds for HDR resources from 20% to 10% and does not have further comments.</p>
<p>What questions or feedback do you have on Proposed Change #3 – <b>Future De-Rates</b></p>	<p>ESC requests that the IESO provide an example of the future de-rate for a virtual HDR resources that consists of multiple contributors; contributors may be adjusted year-over-year and therefore there is a concern the adjustment is arbitrary. We recommend relying on existing penalties for not providing capacity rather than future de-rates.</p>
<p>What questions or feedback do you have on Proposed Change #4 – <b>Common Notification</b></p>	<p>ESC is very supportive of this proposed change which would provide dispatchable storage providers with day-head notice of a test activation. The notice will enable storage assets to provide other ancillary services (e.g., OR) – current framework, with only one hour notice, requires energy storage to OR offers since they need to retain energy availability in the event of tests. We welcome this change which would allow energy storage to provide multiple services to the IAMs.</p>

Topic	Feedback
What questions or feedback do you have on Proposed Change #5 – <b>Incenting Performance at the Right Time</b>	ESC acknowledges that IESO proposes to introduce performance charge equal to two months availability payments should a resource fail to comply with an out of market control action or EOSCA event and does not have further comment.
What questions or feedback do you have on Proposed Change #6 – <b>Availability Assessment True-Up</b>	ESC acknowledges that resources would be assessed for “true-up” payments at the end of the obligation period and does not have further comment.
General comments and feedback	No comment.

## Medium-Term RFP

Topic	Feedback
What questions or feedback do you have on the Medium-Term RFP proposed design consideration on <b>Contractual Considerations</b>	See general feedback below.
What questions or feedback do you have on the Medium-Term RFP proposed design consideration on <b>Resource Eligibility</b>	See general feedback below.
What questions or feedback do you have on the Medium-Term RFP proposed design consideration on <b>Proposal Evaluation</b>	See general feedback below.
What questions or feedback do you have on the Medium-Term RFP proposed design consideration on <b>Contract Expiry and Bridging</b>	See general feedback below.
What questions or feedback do you have on the Medium-Term RFP proposed <b>Timelines and Milestones</b>	See general feedback below.
What questions or feedback do you have on the Medium-Term RFP <b>UCAP approach</b> outlined in the presentation materials	See general feedback below.

Topic	Feedback
What areas of the draft RFP and Contract do you want to see more details on in the September engagement session, ahead of the issuance of draft documents?	See general feedback below.
Do you have a resource that is eligible, or may be eligible, to participate? If so, please provide feedback specific to your resource based on the proposed design considerations. Please indicate if you would like to meet with the IESO to discuss eligibility or any other aspects of the Medium-Term RFP.	See general feedback below.
General comments and feedback	See general feedback below.

## General Comments/Feedback

ESC is disappointed that energy storage participation is severally restricted.

- Energy storage can be developed and permitted in the required timeframe, has community support and is cost effective
- If the goal is to make the best decision for ratepayers we believe providing as many options as possible through this procurement process would achieve this objective (i.e., lower costs for consumers)
- The current approach restricts meaningful competitive tension into the process (leading to risk of increased costs)

ESC disagrees with the IESO statement on slide 16 that “Contracting less certain new capacity, potentially forcing existing facilities to exit if they are not successful, thus impacting reliability” and requests IESO provide additional analysis to back up its concern.

ESC recommends that new build (both front-of-meter and behind-the-meter) energy storage and hybrids (i.e., storage added to existing genators) be allowed to bid into the medium term RFP. ESC encourages IESO to take a balanced approach with the first Mid Term RFP, recognizing the potential benefit of contracting for a longer-term if the resulting overall price, and cost to consumers, is lower. We are not convinced that recontracting exisitng assets on a 3-year term will yeild the lowest costs. Given that IESO has underscored a need in the long-term, opening up competition and providing flexibility for term-length is likely to result in more favourable outcomes.