

# Feedback Form

## Transmission-Distribution Coordination Working Group (TDWG) – November 9, 2022

### Feedback Provided by:

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Date: November 30, 2022

Following the November 9<sup>th</sup> Transmission-Distribution Coordination Working Group meeting, the IESO is seeking feedback on a number of questions related to transmission-distribution coordination.

**Please provide feedback by November 30, 2022 to [engagement@ieso.ca](mailto:engagement@ieso.ca).** Please use subject header: *TDWG*. To promote transparency, this feedback will be posted on the [TDWG webpage](#) unless otherwise requested by the sender.

The IESO will work to consider and incorporate comments as appropriate and provide responses at the next TDWG meeting. Thank you for your contribution.

# Specific Questions for Comment/Feedback

Topic	Feedback
<p data-bbox="181 163 831 235"><b>DER Market Vision and Design Project - T-D Coordination Foundational Questions</b></p> <p data-bbox="181 268 909 409">Are the IESO’s recommendations for T-D coordination appropriate for foundational models? Do any recommendations involve risk for distributors that would inhibit DER(A) participation in wholesale market?</p>	<p data-bbox="933 163 1516 1150">Generally the NSWG supports the recommended answers to the foundational questions #2 (i.e., entity representing IESO market participants in IESO-Administered Markets (IAM)) and #7 (i.e., coordination protocol with IESO-Distributors-Aggregators) The NSWG strongly agrees that rate-regulated distributors should not represent IESO market participants. The separation of wholesale market activities and rate-regulated activities is extremely important to ensure that Ontario rate-payers are ring-fenced from merchant risk exposure. Further, IESO market participants must make decision from before day-ahead, through day-ahead, and into real-time to best manage their operations of their assets. A rate-regulated distributor could have a conflict of interest in the prioritization between the DER asset and regulated distribution network assets. For that reason, and others, NSWG supports the IESO’s conclusions to permit standalone DERs and aggregated DERs to represent IESO market participants.</p> <p data-bbox="933 1159 1516 1711">With respect to Question #7, NSWG agrees that enhanced communication protocols are needed to ensure the three main parties (i.e., IESO, DERs, Distributors) understand the capabilities of the system and services being delivered. Similar to other system constraints (e.g., transmission system outage), distribution system outages must be integrated into the real-time schedule and dispatch. A primary objective of the IESO market design is the ability to react and adjust schedules to abnormal conditions (e.g., unplanned outages or planned outages).</p>

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<p data-bbox="180 163 743 233"><b>Hydro One's Distribution-Distribution Coordination</b></p> <p data-bbox="180 268 760 304">Any feedback on Hydro One's presentation?</p>	<p data-bbox="933 163 1524 1113">The NSWG appreciates the presentation from Hydro One and the nuances of Distribution-Distribution coordination. NSWG supports the options presented by Hydro One and recognizes the complexity of Ontario's unique distribution system ownership and operations structure. The only feedback from NSWG is to consider the benefits of parallel communications between all parties. Under the proposed T-D coordination protocols and D-D options, the distributor is expected to inform DERs &amp; DER aggregators, who are to adjust resource bids and offers to reflect distribution system constraints. NSWG sees benefits in establishing a process for distributors to also inform the IESO of distribution constraints as a verification step. The DER &amp; DER aggregator offer/bid would be the official submission; however, differences between their submission and the distributor's can provide the potential to clarify and resolve conflicts prior to real-time.</p>

## Conceptual T-D Coordination Protocol for Dual Participation Model

Does the draft conceptual T-D protocol for the Dual Participation model presented provide the opportunity for sufficient coordination among parties?

Are there any gaps/concerns with the draft T-D protocol presented?

The NSWG thanks the IESO for the effort in developing the T-D Coordination Protocol. Generally the NSWG supports the direction the IESO is proposing and believes it is appropriate to share with broader stakeholder groups.

NSWG has some specific comments.

- The must operate process for LDC-directed offer/bids requires further details to ensure all parties understand the risk of operation and financial outcome. Potential off-ramps for abnormal price outcomes or changing system conditions should be considered. This does not need to be addressed as part of the conceptual T-D Coordination Protocol, but is an important matter to be settled in the next stage of development
- The definition of short-notice, reserve-type service to an LDC must be defined clearly for all parties. Further, the lead time required to provide this service should be defined as well. If the short-notice reserve-type service is no longer required by an LDC outside of the lock-up period (i.e., T-2 hours before real-time), a DER should be able to adjust their offer to participate in the IAM if the DER decides it is prudent to do so.
- NSWG would like to take the opportunity to suggest that the 27 hour look ahead being considered by the IESO as part of Market Renewal Program is excessive and could lead to unintended outcomes with respect to adjustments to schedules. For example, if a distribution outage occurs in hour 25-ahead, but is cleared by hour 18-ahead, the IESO

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	<p>pre-dispatch system will be generating multiple schedules with have no value. A shorter look ahead that better aligns with the Day-Ahead Market process to real-time would reduce potential issues for both distributors and DERs participating in the market and managing distribution services as well as distribution outage conditions. Unlike transmission outages, many distribution outages can be cleared in shorter timeframes that can cause more volatility in the IESO scheduling process under the MRP process</p>

## General Comments/Feedback

NSWG reiterates its opposition to the IESO recommendation to complete the DER Market Vision and Design after the completion of the Market Renewal Program. MRP completion date has been delayed to the end of 2025 from November 2023. This delay continues to harm non-wires alternatives and DERs in general. Given the Ontario accelerating supply need and growing desire by customers for DERs to meet their own energy needs, waiting to enact DER market rule design changes is not prudent and risks significant costs to Ontario rate-payers. NSWG strongly recommends the IESO commit new resources to the DER Market Vision and Design project to ensure it is implemented in parallel with the MRP process.