

# Feedback Form

## Transmission-Distribution Coordination Working Group (TDWG) – June 16, 2023

### Feedback Provided by:

Name: Brittany Ashby

Title: Senior Regulatory Affairs Advisor

Organization: Electricity Distributors Association

Email: [REDACTED]

Date: July 10, 2023

Following the June 16<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 July 7, 2023 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><b>General Feedback on Terms of Reference, Deliverables and Work Plan</b></p> <p>Any general feedback on the proposed  (1) Terms of Reference; and  (2) Deliverables and Work Plan documents?</p>	<p>EDA members are supportive of this initiative and are interested in potential opportunities the development of coordination protocols will have on the role of distributors as a Total Distribution System Operator (TDSO) for both our systems and our customers with DER(A)s.</p> <p>The EDA is pleased to be a partner of the TDWG and offer the following comments to the IESO for consideration to incorporate in its planning:</p> <p>(1) Terms of Reference (TOR):</p> <p>Objectives:</p> <p>Developing 'implementation-ready' operational coordination must clearly define the requirements needed by the IESO and DER(A)s from distributors to optimize resources on the distribution system safely, reliably, cost-effectively. Modernizing the traditional grid needs to define and consider the distributor's role in the DER integration and transforming into the grid of the future.</p> <p>Item #2 should be rewritten to state:  "DER(A) providing <b>local distribution grid services</b> to the distribution system, utilizing DER(A) as distribution non-wires alternatives."</p> <p>The IESO York Region NWA pilot has successfully demonstrated that DERs competitively procured through local electricity market, at the distribution level and interoperable with wholesale market, are able to provide distribution services on peak demand management and meet local and system needs. The Pilot has demonstrated the potential for widespread DER deployment as a feasible non-wires solution to defer, reduce or avoid costs associated with infrastructure investments.</p> <p>Membership:</p> <p>Membership of the TDWG is appropriate. The EDA notes that representatives from the Ontario Energy Board are considered observers in the TOR. However, it was discussed repeatedly during the June 16 session that there is frustration amongst many parties planning for the "future state" of coordination protocols within the market to enable DER(A)s using the existing regulatory framework as opposed to the future regulatory framework that should enable distributor's roles in integrating and optimizing the values of DERs</p>

Topic	Feedback
	<p>in the bulk and local distribution systems. It is our opinion that the OEB needs to take an active role in planning and enabling the future.</p> <p>The current regulatory barriers and investment uncertainty that exists amongst parties for enabling DER(A)s to support the local distribution and wholesale grid is hindering the collaborative process of all existing willing parties. We encourage the OEB to actively participate in creating a roadmap for LDCs' role and distribution activity expansion so we can better enable DERs and optimize system investments for the future. The OEB is encouraged to use its existing partnerships with the IESO and LDCs through joint engagement to determine what the scope beyond 2025 looks like for distributors' role in the province. The EDA acknowledges the support given to the industry through piloted programs and NWAs. However, the industry must start to scale expanding the success of the pilots and operationalize them province wide. Applying for exemptions on a case-by-case basis is inefficient and costly and continues to result in uncertainty.</p> <p><b>Organization and Administration of Meetings:</b> Given the large-scale impact of the TDWG coordination protocol development in our market, the EDA suggests that meetings be shorter and more frequent (e.g., monthly) rather than every other month. We must continue to be actively working to accomplish these deliverables within the timeline expressed. The cost of not doing so is increasing for planning and investment purposes. The IESO should also be responsible for transcribing and taking meeting notes for all five deliverable work streams.</p> <p>IESO transcribed meeting notes should also include instances where disagreement occurred, or where there was a difference of opinion, alongside the actionable items and their resolutions. This is constructive to the process documentation and will ensure a balanced, objective review of the development of coordination protocols.</p> <p>(2) Deliverables:</p> <p>The EDA noted that the IESO has self-appointed two of the five deliverable streams created: Coordination Protocols, and Architectural Assessment. It was suggested in the workshop by</p>

Topic	Feedback
	<p>EDA staff that the IESO at the very least consider co-leads with a LDC representative for each of these deliverables. It is necessary that distributors partner as a leading role for the identification of reliability needs related to T-D coordination and obligations from local distribution system design and architectural perspectives. Distributors request to partner with the IESO on each deliverable to appropriately scope the impacts on the macro and micro aspects of the electricity grid and market. Distribution staff are the subject matter experts on the local grid needs and we believe that co-leading these deliverables is necessary to unlock the potential of the network.</p> <p>The IESO, in its footnote of the deliverables, includes the idea of potentially using the IESO’s market renewal principles for the architectural assessment. The EDA directs the attention of the IESO to those principles and encourages the group to recognize that distributors must be included to provide the best transparency, efficiency, ability to implement, and certainty, while the market explores competition. To meet system and participant needs at lowest cost, the group must recognize the value that distribution assets offer the system as TDSO and aggregators of DERs at the lowest micro grid level.</p> <p>(3) Workplan:  Within the context of the materials attached to the meeting notes and the “flexible work plan”, the TDWG must assign milestones for the deliverable leads which will inform all members of the work of each deliverable workstream on the milestone dates. These milestones must be as frequent as quarterly and allow for all parties to express their written comments, and essentially allow acceptance or sign off from the TDWG on the work that is accomplished. These updates will serve to be an indicator of the trajectory of the work in each deliverable and whether TDWG is achieving the objectives as intended to support the IESO, LDCs, and DER(A) in developing the coordination protocols in all five workstreams.</p> <p>Timeline:</p> <p>The EDA suggests that the TDWG group and deliverable leads scope the workplan to extend beyond the end of 2024/2025 timeframe for the integration of the Total DSO. As observed in the</p>

Topic	Feedback
	<p>ICF presentation distributors must begin planning resources to support the quick integration of DER(A)s on the local grids, and consideration of the future state of the market and system needs to be planned <b>as soon as possible</b>. Distributors plan their networks on a five-year horizon and propose that, to optimize their systems for participation and coordination protocols as quickly as possible, the province needs to scope a TDSO roadmap for what happens afterwards into 2026, 2027 and beyond (aligned with the TOR) or rather Phase 1 of the market changes.</p>
<p><b>Transcription of Meetings</b></p> <p>Should TDWG meetings be recorded and/or transcribed?</p>	<p>Considering the new TDWG workplan and splitting into five deliverable workstreams, it is necessary that the TDWG meetings are recorded, much like other IESO stakeholder engagements to accomplish these objectives as quickly as possible.</p> <p>For consistency and to maximize efficiency, the IESO should provide its resources to each deliverable workstream team lead for recording and transcribing each of the five deliverable workstreams. This must include participation and some form of a governance voting and sign off procedures.</p>
<p><b>Proposed Deliverables</b></p> <p>Are the deliverables too ambitious?</p> <p>Will we as a working group be able to deliver?</p>	<p>The EDA believes that the development of deliverables is ambitious, given the interdependencies of the workstreams. However, we do believe this is achievable if the five workstreams recognize the impacts that each can have on one another and cross manage those impacts.</p> <p>Distributors of varying sizes across the province support the TDSO model and the development of the coordination protocols as soon as possible to support our customers. Distributors are motivated to maximize the customer experience through local markets and ensure reliability on our grids, and they are interested in partnering to adopt the TDSO model to unlock the potential of DERs to our local and wholesale systems.</p> <p>Distributors are motivated to build baseline protocols which are 'implementation-ready', and we need to define the needs of all parties. We believe with collaboration, and leveraging the successes of the industry pilots, we can define what information is required, how detailed the information needs to be, and in what format it should be so that distributors can deliver.</p>

Topic	Feedback
	<p>The market guidelines that LDCs operate under today are not much different than the expected coordination protocols of the future, regardless of the number of participants, distributors, or their size variation. LDCs currently operate under a system of market rules, which does not consider these variations because there is one standard set of rules and protocols. As a group LDCs will be able to deliver if we are clear about focusing on the intention and direction, rather than focusing on specific variations. Those can be addressed later in a phased approach.</p> <p>There is concern that ICF has overcomplicated the simplicity of the Total DSO model through its presentation. It is necessary that the deliverables remain direct and limit the complexity and variations of DSO. We need to be clear and concise about the required needs for participation so that distributors can plan accordingly to meet them. The linear model is the most direct and efficient.</p>
<p><b>Other Deliverables</b></p> <p>Are there any deliverables (or components of deliverables) that should be added in? Are there any deliverables (or components of deliverables) that are unnecessary and can be de-prioritized?</p>	<p>Regulatory Framework: To ensure the most achievable outcomes which are ready for implementation, each workstream needs to consider the future state of the regulatory framework and not the current state of today's market.</p> <p>As such, the OEB and Ministry are encouraged to participate actively beyond just observers. There must be a working member of each organization in the five work streams, and they must execute timely and necessary actions to enable the required future state of the regulatory framework supporting the implementation/operationalization of the workstream deliverables.</p>
<p><b>Deliverable Leads</b></p> <p>Are you interested in leading the development of any of the deliverables or participating in sub-groups related to any them? If so, please specify the deliverable of interest and why you are well suited for it.</p>	<p>The EDA will participate and act in the interest of all its LDC members on the deliverable workstreams while acting as a support to the members who come forward as deliverable leads.</p>

Topic	Feedback
<p><b>T-D Coordination Models</b></p> <p>Are there any other T-D coordination models that should be investigated? If so, why do you think it may be appropriate in the context of the operation of the Ontario electricity system?</p>	<p>The EDA does not believe that other T-D coordination models and variations be investigated. Beginning with the linear model is appropriate for a phased approach.</p> <p>Distributors recognize that change is essential to optimizing our networks to ensure they can help meet the future energy demands of customers across the province. A more flexible operation of the Ontario electricity system that embraces TDSO requirements is what is needed.</p> <p>EDA’s members are supportive of developing the TDSO/linear model as a starting point and direct point of contact. However, a preliminary definition of DSO is needed amongst all parties as there is also a type of Total DSO model that was not discussed during the ICF presentation where the DSO is a <b>neutral facilitator</b> not an aggregator in conventional, commercial sense of the definition. EDA acknowledges that the ICF presentation that was prepared for the IESO TDWG and presented of ICFs own views and not that of other organizations that retained them such as IESO, however there are some fundamental concerns with the definitions as presented to the group. The solution is to solidify the definitions going forward.</p> <p>The definition of a DSO requires consensus as it speaks to the roles and responsibilities of the LDC future state, and how it should be remunerated as a result. Members held some concern with the material that the ICF presentation made of the requirements of a DSO under various conditions of DER penetration, and that it was encroaching on material and decisions that the OEB has yet to provide direction on. DSO governance and potential licensing requirements will speak to how DSOs will operate, what capabilities will be required and what roles and responsibilities they will play in the enablement of DERs. While we acknowledge the dual participation/hybrid model as the secondary model to be explored, we notice that ICF now presents a variation of the dual participation/hybrid model as “Dual Participation – Distribution System Operator” (DP-DSO), which includes “Distribution” in the title. Regardless of the model chosen, both present large-scale impacts on distributors, and it is the distribution communities’ assessment that the Total DSO model offers the best solution and path forward to unlocking DERs. As shown in the diagrams on slides 5 and 6 of the ICF presentation, LDCs are layered into the</p>

Topic	Feedback
	<p>functional coordination of the models and will be responsible to execute and coordinate reliability and visibility so that benefits can cascade down. These principles align with market renewal goals to deliver a more efficient, stable marketplace with competitive and transparent mechanisms that meet system and participants' needs at lowest costs.</p>
<p><b>Workshop</b></p> <p>Was the in-person and virtual hybrid meeting format helpful for the purposes of the group workshop?</p>	<p>The in-person meeting was beneficial for the June 16<sup>th</sup> workshop. The EDA believes that in-person meetings should be facilitated for regularly scheduled milestone meeting updates.</p> <p>However, given the increase of five workstreams and deliverables associated with each workstream, we suggest that hybrid meetings be the required method as outlined in the TOR. Hosting the meetings as hybrid will maximize the working group participation across the province, is more cost-effective and facilitates the recording of each session.</p>

## General Comments/Feedback



## General Comments/Feedback

### Governance:

In the session EDA staff asked the IESO to consider how each of the deliverable workstreams will solve disagreements. In its response the IESO deferred to the lead of each deliverable workstream and suggested that multiple approaches could be the outcome of each deliverable. We believe that the TOR or Workplan considers a TDWG voting mechanism or sign off procedure for the output of each deliverable. A standard governance structure for the work product should be included.

Additionally, and as mentioned during the session, there should be a standard dispute resolution mechanism put in place early on, so that we do not delay the development of coordination protocols through disagreement in the deliverable workstreams.

### Resource Commitment and Funding:

The IESO has stated in the workplan that it has a limited consulting budget to help support the deliverables and that the deliverable leads are responsible for dedicating sufficient staff, subject matter experts, and necessary financial / non-financial resources to ensure timely submission of high-quality deliverables.

Each distributor continues to commit the time resources of its staff and subject matter experts to assist in achieving deliverable outcomes.

However, due to the exceptional nature of the TDWG collaboration work and the wide scale impacts the outcome of these coordination protocols will have on the system, we suggest that the IESO provided dedicated funding for consultants to support the workstream leads in achieving the deliverable outcomes in this tight timeframe. Alternatively, perhaps the leads could have direct access to the Grid Innovation Fund (GIF) to support the overall project. The GIF invests in innovative opportunities for customer experience and reliability, and that is the intended outcome of each deliverable. EDA is aware of existing GIF projects that could qualify such as PowerShare that could be made available for input and discussion from TDWG members. Considering to the nature and potential province wide impacts of these five workstreams, EDA suggests that some form of additional funding be made available to support working collaboratively to fulfill these deliverables.

Final Product Considerations: During the June 16<sup>th</sup> meeting it was noted that once the coordination protocols have been developed in each workstream, which could theoretically support variation if there is

disagreement and a governance and dispute resolution mechanism is not established as proposed above, the IESO intends to write its own executive summary for the TDWG.

The EDA proposes that the IESO executive summary is circulated **as draft** to all deliverable leads and their deliverable teams prior to publishing, and that the summary must be agreed upon by all deliverable team leads to ensure a consistent and non-biased approach. This review should be a collaboration on behalf of all efforts and parties in the TDWG.

Final summary and report notes on the IESO's executive summary should be given three weeks for review by members and offer written feedback.

---