



IESO Staff Recommendation to Panel on Exemption Application (General)

All information submitted in this process will be used by the *IESO* solely in support of its obligations under the "Electricity Act, 1998", the "Ontario Energy Board Act, 1998", the *market rules* and associated policies, standards and procedures and its licence. All submitted information will be assigned the appropriate confidentiality level upon receipt.

Terms and acronyms used in this Form that are italicized have the meanings ascribed thereto in Chapter 11 of the *market rules*.

PART 1 – GENERAL INFORMATION

Market Participant Name: NRStor Goderich CAES LP ("NRStor")

Location/Site: Goderich Compressed Air Energy Storage

Exemption Application ID: 1360

Description of Exemption Amendment Requested:

This application is for administrative amendments to the existing exemption #1360, granted on June 15, 2021, to align it with the renewed market rules implemented by the Market Renewal Program.

Date Exemption Amendment Application Received: April 10, 2025

Date all relevant application information supplied by exemption amendment applicant: April 10, 2025

Management Approvals Obtained: Yes ☒

Section of the Exemption Application and Assessment Procedure under which the exemption amendment application is made:

Section 4.2 "Amendment of an Exemption"

Market Rule(s) or related Market Manual(s) from which exemption is requested:

Chapter 0.7 – Section 3.2.1

Chapter 0. 7 – Section 3.1.11

PART 1 – GENERAL INFORMATION

Chapter 0.7 – Section 3.1.12

Chapter 0.7 – Section 3.1.13

Chapter 0.7 – Section 3.4.1.2

Third Party Submissions Received: No

Supplemental Assessment Information Attached: Yes ☒

Related Historical *Exemption Application(s)* or Related *Exemption Application(s)* in Process:

☒ Yes ☐

If yes, list history of *exemption applications*

The original exemption for NRStor Goderich CAES LP ("NRStor") was approved on June 15, 2021 (the "Original Exemption").

Role of *exemption applicant* in the market as it relates to this *exemption application*:
Electricity Storage Resource

PART 2 – RECOMMENDATION**Recommendation:**

This application is for administrative amendments to the Original *Exemption* (#1360) to align it with the *renewed market rules* implemented by the Market Renewal Program ("MRP").

The *exemption applicant's* circumstances have not changed since the Exemption Panel approved the Original *Exemption* on June 15, 2021.

Similarly, *IESO* staff assessment of the criteria used in the assessment of *Exemptions*, and listed below, has not changed since the Exemption Panel approved the Original *Exemption*.

IESO staff recommends that NRStor Goderich CAES LP's ("NRStor") application to amend its *exemption* to align with the *renewed market rules* be granted with the Original *Exemption's* Terms and Conditions listed in Part 4.

NRStor's Original *Exemption* permits it to act as a *non-dispatchable load* for the purposes of withdrawing energy for recharging. The proposed amendments are minor changes to the Original *Exemption's* Terms and Conditions, to (i) update the specific section references of the *market rules* from which the *Exemption* is granted, and (ii) to include additional exempted sections due to updated dispatch data requirements for *registered market participants*.

The update to specific section references is required because the requirement to submit dispatch data for the Day-Ahead Commitment Process in Chapter 7, to which the Original *Exemption* applies, was moved to a new location in Chapter 0.7 and updated to refer to the Day-Ahead Market. Additionally, the requirement to submit dispatch data under the *legacy market rules* (i.e. the *market rules* that existed prior to the MRP *market rule* amendments) has been enhanced by the requirement for establishing an *availability declaration envelope* for a *resource* to be dispatched by the *IESO*.

Given the administrative nature of the amendments and the absence of impact on any of the *exemption* assessment criteria, *IESO* staff is of the view that third party submissions are not required.

PART 2 – RECOMMENDATION**Criteria Used in Assessment of Exemption Applications (Section 3.2.4 of Exemption Application and Assessment Procedure):**

(If X appears in a box, the criterion is applicable to this *exemption application* and is evaluated in Part 3 - Details of Assessment; if X does not appear in a box, the criterion is not applicable to this *exemption application*.)

Whether the *exemption* that is the subject-matter of the *exemption application* would, if granted, materially:

[IESO Staff comment: The proposed *exemption* amendments do not change the nature of the exemption therefor this section of Part 2 is not applicable. The assessment of the criteria remains unchanged from the Original Exemption granted on June 15, 2021. The boxes below have not been checked for this reason.]

- impact the ability of the *IESO* to direct the operations and maintain the *reliability* of the *IESO controlled -grid*; ☐
- impact the ability of the *IESO* to ensure non-discriminatory access to the *IESO controlled -grid*; ☐
- affect the ability of the *IESO* to operate the *IESO-administered markets* in an efficient, competitive, and reliable manner; ☐
- increase costs of *market participants*; or ☐
- increase costs of the *IESO*; ☐

Whether the *exemption* that is the subject-matter of the *exemption application* would, if granted, give the *exemption applicant* an undue preference in the *IESO-administered markets*; ☐

Whether the cost or delay to the *exemption applicant* of complying with the obligation or standard to which the *exemption application* relates is reasonable, having regard to the nature

PART 2 – RECOMMENDATION

of the obligation or standard, the nature of the *exemption application* and the anticipated impact of non-compliance by the *exemption applicant* in terms of the elements referred to above; ☐

The adequacy of the *exemption* plan submitted by the *exemption applicant*; ☐

Where the *exemption applicant* is the *IESO*, the identification of the benefit to *market participants* of compliance with the obligation or standard relative to the financial and other *resources* required to achieve compliance within such deadlines as may be applicable; ☐

Where the *exemption applicant* is the *IESO*, the manner in which it proposes to operate in the *IESO -administered markets* or direct the operations and maintain the *reliability* of the *IESO controlled- grid* during the period in which the *exemption* would be in effect; ☐

Whether the *facility* or equipment that is the subject-matter of the *exemption application*:

- was in service or was returned to service on the date on which the obligation or standard to which the *exemption* application relates came into force; ☐
- was ordered by the *exemption applicant* on or prior to the date on which the obligation or standard to which the *exemption application* relates came into force; or ☐
- was in the process of construction on or prior to the date on which the obligation or standard to which the *exemption application* relates came into force; and ☐
- The capability of the owner of the *facility* to operate the *facility* consistent with the terms of the proposed *exemption*. ☐

PART 3 – DETAILS OF ASSESSMENT

Amendments to reflect the replacement of the Day-Ahead Commitment Process:

NRStor Goderich CAES LP ("NRStor") is a compressed air energy storage facility that is exempt from the requirement to submit bids for its energy withdrawals. NRStor's Original *Exemption* permits it to act as a *non-dispatchable load* for the purposes of withdrawing energy for recharging. Specifically, NRStor is exempted from the requirement to submit bids into the Day-Ahead Commitment Process ("DACP") and the requirement to submit bids for real-time energy withdrawals. The operational approach whereby NRStor does not need to submit bids to withdraw energy was agreed to by the *IESO* before electricity storage was integrated into the market rules, and this approach supports the business case for the project which was developed in response to an earlier procurement. In the renewed market, the DACP has been replaced by a financially binding Day Ahead Market, and this is one of the changes being addressed by this *exemption* amendment for NRStor.

Amendments to update market rule references:

As a result of the *renewed market rules* implemented by the Market Renewal Program ("MRP"), the sequence of some sections within each chapter have changed. These changes are also addressed by NRStor's *exemption* amendment application.

The table below lists the *renewed market rule* section numbering as it relates to the exempt *market rules* in the Original *Exemption*.

Chapter 7 Section 3.3A.2 of the *legacy market rules*, which prescribes the timing of dispatch data submission for the DACP was moved to Section 3.2.1 in the *renewed market rules* and updated to refer to the *Day-Ahead Market* ("DAM"). Pursuant to the terms of the Original *Exemption*, the NRStor is currently exempt from the requirement to submit dispatch data for its energy withdrawals for the DACP, and their *exemption* should be amended to reflect the updated section that now references DAM.

In order to be dispatched in the real-time market under the *renewed market rules*, *resources* must establish an *availability declaration envelope*. If *resources* do not establish the *availability declaration envelope*, they will not be permitted to operate in the real-time market without the approval of the *IESO*. Additionally, if a dispatchable load or an hourly demand response *resource* does not establish an *availability declaration envelope*, it shall not operate in the real-time market except for the portion of energy that is identified as *non-dispatchable load*. The Original *Exemption* permits NRStor to act as a *non-dispatchable load* for the purposes of recharging. To align the Original *Exemption* with the *renewed market rules*, NRStor would need to be exempt from establishing an *availability declaration envelope* when withdrawing energy for recharging.

Additionally, Chapter 7 Section 3.4.1.2 from which NRStor is currently exempt remained unchanged in the *renewed market rules*, and NRStor should continue to be exempt from the requirement to submit bids to withdraw energy for re-charging to align with its Original *Exemption*.

Legacy <i>Market Rules</i> Chapters and Sections Included in the Existing Reconsideration <i>Exemption</i>	Description	MRP <i>Market Rules</i> Set Included in the Amended <i>Exemption</i>
Chapter 7 – Section 3.3A.2	Dispatch Data Submissions for the Day-Ahead Commitment Process	The equivalent provision now refers to the Day-Ahead Market, and the relevant section is Chapter 0.7 Section 3.2.1.
Chapter 7 – Section 3.3A.3	Dispatch Data Submissions for the Day-Ahead Commitment Process	The equivalent provisions now relate to the Data Submissions for the Day-Ahead Market in Sections 3.1.11-3.1.13-requirement to establish and submit an <i>availability declaration envelope</i> in order to participate in the real-time market.
Chapter 7 – Section 3.4.1.2	The Form of Dispatch Data	No change in chapters and sections.

PART 4 – TERMS AND CONDITIONS

Effective Date of Exemption (or event causing <i>exemption</i> to become effective)	May 1, 2025
Date of Expiration of Exemption <ul style="list-style-type: none"> • If greater than 5 years, the Panel must be satisfied that the circumstances justify a later date. • Circumstances which will cause the <i>exemption</i> to immediately expire. 	<i>Exemption</i> is for life of the facility.
Market Rule(s) or related Market Manual(s) from which the <i>Exemption</i> is granted.	MR Ch.7 s. 3.2.1 MR Ch.7 s. 3.1.11 MR Ch.7 s. 3.1.12 MR Ch.7 s. 3.1.13 MR Ch.7 s. 3.4.1.2 Until such time as the IESO eliminates the zero series chapters, the above references will be understood to refer to the <i>renewed market rules</i> .
Restrictions on the manner of operation and/or additional obligations to be met during the term of the Exemption, if any.	The <i>exemption</i> from MR Ch.7 s. 3.2.1 and s. 3.1.11-3.1.13 pertains to withdrawals only. NRStor Goderich CAES LP will continue to submit <i>dispatch data</i> for its injections according to MR Ch.7, s. 3.2.1 and s. 3.2.2. Withdrawals shall not be made while the facility is under an <i>operating reserve</i> activation on its injections.
Monitoring Information Required	N/A

PART 4 – TERMS AND CONDITIONS

Information required to be provided by the <i>exemption applicant</i> for monitoring by the <i>IESO</i> .	
Payment of Costs <ul style="list-style-type: none"> Processing costs (when introduced) Incremental <i>exemption</i> costs <i>Settlement amounts</i> to be withheld or repaid. 	N/A
Reconsideration/Removal <ul style="list-style-type: none"> Date on which the <i>exemption</i> will be reconsidered (if applicable). Circumstances under which the <i>exemption</i> will be reconsidered (if applicable) other than unforeseen future change in circumstances. 	The <i>exemption</i> will be reconsidered if NRStor Goderich CAES LP modifies the configuration of the facility resulting in an up-rate of its capacity to withdraw <i>energy</i> ; and/or if any of the <i>market rules</i> from which the facility is exempt are being replaced or amended.
Transferability <ul style="list-style-type: none"> List the terms and conditions that need to be met to allow for a transfer of this <i>exemption</i> to be approved by <i>IESO</i> staff. 	N/A
Other:	N/A