

Feedback Form

Distributed Energy Resources (DER) Market Vision and Design Project – June 22, 2022

Feedback Provided by:

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Following the June 22nd public webinar on the DER Market Vision and Design Project, the Independent Electricity System Operator (IESO) is seeking feedback from participants on the options to the Phase I Questions for the foundational DER model(s), and any key considerations for the IESO to take into account as options are assessed for the Phase 1 Questions.

The referenced presentation can be found on the [DER Market Vision and Design Project webpage](#).

Please provide feedback by July 14, 2022 to engagement@ieso.ca. Please use subject header: *DER Market Vision and Design Project*. To promote transparency, this feedback will be posted on the [DER Market Vision and Design Project webpage](#) unless otherwise requested by the sender.

The IESO will work to consider and incorporate comments as appropriate and post responses on the webpage.

Thank you for your contribution.

Phase I Questions

Topic	Feedback
Has the IESO identified the appropriate options to the Phase I Questions for the foundational DER model(s) for this project? If not, please provide details on additional options for consideration and associated rationale for the option.	Yes. We believe the IESO is on the right track with the identified options to Phase I Questions for the foundational DER model.
Based on the criteria outlined in this presentation, are there any key considerations you would like the IESO to take into account as we assess options for the Phase I Questions?	We believe the IESO has identified reasonable criteria. We seek clarification with respect to how the IESO will apply these criteria; for example, will the assessment be qualitative only, or will there be a quantitative assessment.

General Comments/Feedback

ESC is encouraged that the IESO continues to dedicate time and effort with respect to removing barriers for DERs and DER(A) participation in the IESO-Administered Market (IAM). We are supportive in principle of the options being evaluated and the general approach for evaluating options.

However, ESC members continue to be concerned with respect to the timeframes the IESO has established for this project, and we urge the IESO to explore all reasonable pathways for accelerating the removal of barriers for DERs and DER(A), which will enable increased participation in upcoming IESO RFPs and Capacity Auctions. Given the magnitude of new resources that are required in the coming decade, and the speed at which new resources will need to be brought to market, it behooves the IESO to move as expeditiously as possible to increase participation options, which will ultimately increase participation and competition in future IESO procurements, leading to lower costs for customers, and greater opportunities for customer participation.

We are also concerned that the foundational design is assuming the completion of the IESO's Market Renewal Program (MRP). Given the announced delay of the MRP project, and current lack of clarity with respect to new implementation timelines, we recommend that the IESO plan for a contingency that would remove barriers for DERs and DER(A) participation in upcoming IESO RFPs and Capacity Auctions in the event of a delay that would impact the timelines for the implementation market rule changes that would be required to implement the DER Market Vision.

As a general observation, we observe that the IESO's plans for future changes to the IAM are complicated and multi-faceted. For example, the following changes to the IAM are being contemplated by the IESO:

- Implementation of the MRP which involves systemic changes to the IAM (i.e., locational prices, day-ahead market, market power mitigation, unit commitment, etc.)
- Changes to the Capacity Auction – While the Technical Panel rejected IESO's recent market rule amendment proposal (June 14, 2022 MR-00469), the IESO now plans to move forward with a subset of the changes (i.e., generation-backed imports, administrative changes), and future

changes to implement UCAP and adjust performance charges (or other potential changes) are now uncertain.

- Implementation of a Foundational design for Hybrid Resources (and subsequently an Enhanced design)
- Implementation of a Foundation design for DERs (and subsequently an Enhanced design)
- Implementation of the Long-term design for energy storage per the Storage Design Project

ESC's members will be impacted by all these changes as they are considered and implemented. While the goal of many of these changes is to improve opportunities for resource participation, we are concerned that the volume of changes (and uncertainty with respect to their implementation) is creating significant market uncertainty for future investment. We recommend that the IESO lay out a comprehensive framework that will show how all these changes will be sequenced and prioritized in the coming years.