

Feedback Form

Resource Adequacy – September 23, 2021

Feedback Provided by:

Name: Justin Wahid Rangooni

Title: Executive Director

Organization: Energy Storage Canada

Email: jrangooni@energystoragecanada.org

Date: October 14, 2021

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

Following the September 23, 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 by October 14, 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

Topic	Feedback
General comments and feedback on Next Steps and Timelines	ESC suggests that the IESO provide a more long-term view of what resources will be enabled in future annual Capacity Auctions, and the timeframe for when additional eligible resources will be enabled to participate.

HDR Baseline Methodology

Topic	Feedback
Is there additional segmentation or sensitivity analysis the IESO should consider?	No comment
Do stakeholders feel there is strong alignment between the results presented and the implications the IESO has identified?	No comment
Are there additional implications the IESO has not considered based on the preliminary results?	No 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 Contract Design Considerations	ESC encourages the IESO to expand the eligibility of resources to include new energy storage resources, as well as the ability to bid both price and term within the RFP. We assert that increasing competition by including energy storage resources within the MT RFP will lead to increased competition and better outcomes for customers. Energy storage can be developed within the required IESO timelines (i.e., May 1, 2026). Excluding energy storage at this stage postpones the benefits that customers will realize from additional energy storage in Ontario. These benefits have been documented in ESC's report "Unlocking Potential: An Economic Valuation of Energy Storage in Ontario" (https://energystoragecanada.org/unlocking-potential)

Topic	Feedback
What questions or feedback do you have on the Medium-Term RFP proposed design consideration on Performance Obligations	ESC seeks clarification from the IESO with respect to how the proposed 5x16 must offer requirements would apply to an energy storage resource. We recommend providing an illustrative example to support the clarification.
What questions or feedback do you have on the Medium-Term RFP proposed design consideration on Rated Criteria	<p>Overall, we encourage the IESO to ensure that the proposed scoring method is transparent with respect to weighing of desired attributions. The Capacity Auction has zonal clearing to ensure zonal capacity targets are met. Post MRP, resources will also be subject to LMPs, reflecting locational value. Dispatchable resources are also eligible to provide OR.</p> <p>ESC requests that IESO confirm that hybrid resources would be considered a “dispatchable resource”.</p>
What questions or feedback do you have regarding considerations for Uprates that may be eligible in the Medium-Term RFP	Limited information has been provided by IESO at this time. ESC recommends that IESO permit uprates in the form of additional energy storage to existing generating facilities.
What questions or feedback do you have on the Medium-Term RFP UCAP approach	<p>ESC continues to express concern with respect to the proposed methodology to calculate UCAP for energy storage.</p> <p>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>
General comments and feedback	See below.

General Comments/Feedback

ESC is supportive and welcomes the IESO advancing a new procurement framework for Ontario. However, we continue to be concerned that new energy storage is not eligible within the first MT RFP proposed by the IESO and strongly encourage the IESO to revisit that decision. ESC seeks

confirmation from the IESO that existing, off-contract energy storage (front-of-meter) will be eligible to compete in the MT RFP.

We also strongly advise that the IESO commence consultation on the Long-term RFP as soon as possible to ensure that project developers have sufficient time to meet mandatory RFP requirements and optimize for rated criteria. Further, the IESO should specify which requirements or components of the MT RFP are proposed to carry forward into the Long-Term RFP.

We look forward to the next steps of this process.