

MRP - Single Schedule Market | High Level Design

Stakeholder Feedback Form

<p>Date Submitted: 2018/11/23</p> <p>Feedback Due: November 22, 2018</p>	<p>Feedback provided by:</p> <p>Company Name: Energy Storage Canada</p> <p>Contact Name: Patricia Phillips</p> <p>Phone: [REDACTED]</p> <p>Email: [REDACTED]</p>
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The Market Renewal Project (MRP) released a draft of the High Level Design (HLD) for the Single Schedule Market (SSM) on **September 27, 2018**. In order to allow interested parties an opportunity to provide meaningful feedback on the HLD, the IESO has provided an eight week review period which concludes on **November 22, 2018**.

The SSM HLD first draft can be accessed [here](#).

This feedback form is intended to help organize stakeholder feedback in two key areas of interest to the IESO. If stakeholders have additional input, they are encouraged to provide those thoughts in the “Other Feedback/Considerations” section of the form.

Stakeholder feedback is due by Thursday November 22, 2018 to IESO Engagement at: engagement@ieso.ca

Design Element	HLD Page Reference	Stakeholder Feedback	
		Request for Clarification/Education	Considerations for Detailed Design
Price Formation	8-32	No comment at this time.	<p>It is widely recognized that the IESO Market Rules need to be amended by widening the qualification of energy storage to participate within broader areas within the IESO administered markets (IAM), and by more appropriately integrating these resources and their technical/economic attributes, capabilities, data/information within the IESO's network model along with inputs to scheduling and dispatch instructions and with price formation and settlements. Implementation of a Single-Schedule Market (SSM) with Locational Marginal Pricing (LMP) marks an opportunity to evaluate such Market Rule amendments to appropriately enable energy storage resources to participate in the energy market.</p> <p>Regarding price formation, the IESO has indicated that the existing Maximum Market Clearing Price (MMCP) of \$2,000/MWh will be maintained under the new market structure. Given that customers are responsive to prices at different levels (i.e., some customers may not be responsive until prices exceed \$2000/MWh), there is value in ensuring that the wholesale energy price reflects the most market participant action/reaction until alternative products (e.g., capacity) are deployed. ESC recommends that</p>

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			the IESO review the MMCP during the Energy Workstream Detailed Design consultations.
Market Power Mitigation	33-42	No comment at this time.	No comment at this time.
Load Pricing	43-52	No comment at this time.	<p>As indicated in the Price Formation section above, the SSM HLD indicates that changes to the MMCP are not being contemplated. ESC recommends that the IESO consider increasing the MMCP in order to maximize the participation of load customers in the IAM.</p> <p>Regarding load pricing, any potential changes to rates and charges to load customers (e.g., energy storage based on withdrawal of energy) will impact the economics of the application of energy storage within Ontario. It is not yet clear how rate</p>

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			<p>design may potentially change and how GA may be allocated resulting from planned implementation of an LMP pricing regime, meaning energy storage resources embedded within non-dispatchable loads (NDLs) (e.g., Local Distribution Company (LDC) service territory) may not be economical depending on future decisions regarding rate design and allocation of charges. As a potential consequence, specific benefits that can be provided by many energy storage resources (e.g., quick-response to produce energy, ancillary services, etc.) may not be realized depending on decisions still to be made regarding rate design (e.g., Regulated Price Plan) and allocation of charges (e.g., Global Adjustment). Analysis of any causal changes to rates and charges relating to the design and planned implementation of an LMP pricing regime will be required in the Detailed Design Phase.</p> <p>Finally, ESC looks forward to more detailed discussions regarding the methodology for how congestion rents and loss residuals are distributed to load customers, which will also impact the economics of some energy storage resources.</p>

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Settlement Topics	53-56	No comment at this time.	No comment at this time.

Other Feedback / Considerations

Energy Storage Canada (ESC) is pleased to provide feedback to the IESO regarding the Single-Schedule Market (SSM) High-Level Design (HLD). ESC is a member of a consortium of renewable generators, energy storage providers, and industry associations led by Power Advisory LLC (Power Advisory). ESC supports the Consortium comments submitted by Power Advisory on November 16, 2018.

In addition to the comments submitted by Power Advisory, ESC would like to emphasize that the unique attributes and operational characteristics of energy storage resources have not been captured within the SSM HLD. Generally, the HLD is a good document providing clear high-level direction to implement an LMP pricing regime within Ontario, and also gives some clarity regarding how traditional directly-connected market participants (MPs) will be settled under the new pricing regime. However, the proposed design falls short on appropriately integrating energy storage MPs into the new construct of the IESO administered markets (IAM). First, it is not clear how embedded resources might be able to participate in the energy market. Second, as per the requirements outlined in FERC Order 841, the HLD does not allow energy storage resources to bid/offer within the same dispatch interval and in turn set the market clearing price as a load or generator. Third, consideration has not been given in the HLD to potentially increasing the maximum market clearing price (MMCP) in order to reflect the widest range of price responsiveness from load customers (and generators for negative pricing). Fourth and finally, the HLD does not discuss price floors for generation resources which artificially limit the price signal for new consumption resources (i.e., energy storage) therefore discriminating against energy storage resources.

In order to address some of the above-noted deficiencies, ESC requests that the IESO host an energy storage-specific education and awareness building session, similar to those being held between November 20 and December 11 for other resource types and stakeholders. Currently, the IESO has not included a specific education session for energy storage resources. ESC also looks forward to meeting with the IESO on a quarterly basis in order to advance the discussions and ESC looks forward to continued discussions, particularly as the Energy Workstream advances to the Detailed Design phase.

Thank you for considering this additional feedback as part of the SSM HLD process.