

Feedback Form

Clean Energy Credits – February 24, 2022

Feedback Provided by:

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Following the February 24, 2022 engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed during the webinar. The webinar presentation and recording can be accessed from the [engagement web page](#).

Please submit feedback to engagement@ieso.ca by March 17, 2022. If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

Opportunities & Challenges

Topic	Feedback
What are the key opportunities and challenges the IESO should be aware of in developing a voluntary clean energy market?	To ensure full and equitable use of CECs the scope of the CEC market should be as wide as possible. It should: 1. Apply to all non-emitting generating sources feeding both the transmission and distribution systems, and to both the wholesale market and contracted power, and 2. Encourage investment in new non-emitting generation across the whole grid, especially in demand constrained areas.

Design considerations

Topic	Feedback
Which design considerations outlined in this presentation are most important to you and why?	<input type="checkbox"/> Customer choice: All customers should have the opportunity to both purchase and generate CECs. This means reforming regulations so that LDCs can provide their customers with this choice – especially the ability to generate new renewable power and to purchase from new local suppliers. <input type="checkbox"/> Monetize investments: While credit offerings should include existing clean non-emitting generation, they should also encourage new investment in renewable generation. This will maximize the proceeds that flow to ratepayers. <input type="checkbox"/> Future Proof: This can be done by ensuring that the CEC registry applies to both existing and new clean energy generation so that it can encourage and benefit from grid decarbonization. <input type="checkbox"/> Maximizing market opportunity: Again, markets will be maximized by making the CEC registry apply to new and existing generation, wholesale and fixed contract generation, and generation into both the transmission and distribution systems.

Topic	Feedback
What other design considerations should IESO be aware of?	To ensure the proposed CEC registry operates effectively and maximizes its objectives, it must be accompanied by a package of new legislation and regulations giving LDCs maximum flexibility and control over clean energy generation in their distribution grids. This would include changes that would: 1. Allow LDCs to purchase locally generated renewable generation and offer green pricing programs and CECs. 2. Allow local generators and customers to offer Virtual Power Purchase Agreements and CECs to local buyers. A good example of how this flexibility can be created is Alberta’s Bill 86. The bill’s key features are: <ul style="list-style-type: none"> • Allow the integration of energy storage into Alberta’s interconnected electricity system in both the competitive electricity market and the transmission and distribution system. • Allow unlimited self-supply with export, technology that allows electricity to be generated on-site with excess power sent to the grid, while ensuring that transmission system costs are balanced among all system participants. • Build on the Alberta Utilities Commission Distribution System Inquiry on modernizing Alberta’s electric distribution system to ensure the cost-effective integration of distributed energy resources in the system. • Add a requirement for distribution owners to prepare long-term plans as per future regulations, which will describe the outcomes and timing of the plans.

Engagement Process

Topic	Feedback
Which stakeholder groups and/or design topics are most important to include in the planned focus group discussions?	Municipalities and their LDCs, Renewable Energy Co-operatives and other local generators of renewable power
Topic	Feedback
Are there any additional engagement opportunities the IESO should consider?	The draft CEC registry design should be workshopped among stakeholders or a regional level

Topic	Feedback
Would you be willing to participate in a technical session? If so, on which topic(s)?	Yes

General Comments/Feedback

Our key comment is that the CEC registry must both include and encourage new generation in the distribution system and provide Local Distribution Companies (LDCs) the flexibility to allow this. In this way the registry would allow LDCs to leverage investment in non-wires options in areas that are demand constrained by customer growth or electrification – at the same time helping to de-carbonize the grid and offer CECs to customers to meet their sustainability or net zero goals through Green Pricing. Local generators like renewable energy cooperatives could offer Financial (Virtual) Power Purchase agreements to local buyers using a local contract for their power with their LDC instead of feeding into the wholesale market. Yet a third option would be for customers that can produce excess renewable power to sell CECs to other customers through a virtual net metering arrangement. Unfortunately, current grid rules and regulations in Ontario do not allow any of these options. LDCs cannot purchase local generated electricity or storage services, or offer green pricing to their customers. Local generators also cannot sell their excess renewable power to other customers. These barriers will severely limit the amount of new renewable generation in Ontario - restricting the scope of the proposed CEC registry as well as making electrification and decarbonization both more expensive and longer to achieve. To make the proposed CEC registry worthwhile, therefore, it must be accompanied by a package of new legislation and regulations governing LDCs and distribution grids. 1. Allow LDCs to purchase locally generated renewable generation and offer green pricing programs and CECs. 2. Allow local generators and customers to offer Virtual Power Purchase Agreements and CECs to local buyers.