

Feedback Form

Distributed Energy Resources (DER) Market Vision and Design Project – September 20, 2022

Feedback Provided by:

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Following the September 20th public webinar on the DER Market Vision and Design Project, the Independent Electricity System Operator (IESO) is seeking feedback from participants on the proposed recommendations for the Foundational Models/

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

Please provide feedback by October 11, 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.

Recommendations for Foundational Models

Topic	Feedback
<p>Are the IESO's recommendations appropriate for foundational models? Do any recommendations risk inhibiting DER(A) participation in wholesale markets?</p>	<p>AEMA supports the development of the DER(A) and the accompanying foundational and enhanced models. We are, however, concerned about the pace of the development of the rules. As IESO has forecasted emerging needs, it is critical that all resources be able to participate in both the capacity auction and requests for proposals. Waiting until 2026 for DER(A) to participate in a limited (due to core tool change needs) misses an opportunity to leverage existing and future DERs.</p> <p>Without a clear path for participation in both the Capacity Auction and a programmatic approach, investment in DER(A) will be limited. It is critical that the IESO accelerate the development of DER procurement process alongside capacity participation and send market signals with MW targets.</p> <p>AEMA is sympathetic to IESO burden as it relates to the magnitude of tool changes. In the spirit of collaboration, expectation management and transparency, AEMA recommends that IESO provide stakeholders with a better understanding of which specific tool changes are in scope.</p> <p>AEMA also recommends relaxing telemetry, metering and visibility enhancements and consider "moderate" tool changes as that impact IESO's opposed to "no" to changes that impact core tools.</p> <p>Finally, the AEMA suggests that the IESO reduce the 1 MW nameplate capacity threshold to 100 kw as other markets have already implemented.</p>

Based on the recommendations, are there key options that should be prioritized for the enhanced models?

AEMA would prefer that the enhanced models be considered as soon as possible. We look forward to receiving additional details and criteria at the end of 2022.

Of the foundational models currently proposed, the ability to aggregate behind the meter assets into an aggregated Dispatchable Load should be one of the highest priority items. There is a significant opportunity to unlock valuable responsive MWs in the Ontario system with this new operating model. The key is to find an operating model which allows behind the meter assets to respond to IESO needs without the overly cumbersome requirements of the existing Dispatchable Load registration, metering and telemetry requirements. Under the IESO's current proposal, the viability of these Dispatchable Load aggregations will be very limited due to:

- The IESO has not relaxed the telemetry or metering requirements on the contributors to the aggregation. This is not in line with the direction of other markets and defeats the purpose of this operating model.
- It appears that only Dispatchable Load resources will be eligible to be aggregated into Dispatchable Load Aggregate. This appears to defeat the purpose of this operating model. Additional aggregated resource types should be explored other than Dispatchable Load given many loads have behind the meter flexibility for only a portion of their load.

The AEMA recommends the IESO revisit its decisions regarding Dispatchable Load Aggregations with a lens of keeping the requirements of the Aggregation the same as current market rules but allowing more flexibility

Topic	Feedback
	behind that Aggregation with how the responsiveness is achieved.

General Comments/Feedback

Advanced Energy Management Alliance (“AEMA”) is a North American trade association whose members include distributed energy resources, demand response (“DR”), and advanced energy management service and technology providers, as well as some of Ontario’s largest consumer resources, who support advanced energy management solutions due to the electricity cost savings those solutions provide to their businesses. The comments herein represent those of the organization, not those of any individual member.