

Feedback Form

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

Feedback Provided by:

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Date: October 11, 2022

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>The foundational model should reconsider any factors which will risk inhibiting DER(A) participation in the wholesale markets. The foundational model needs to clearly consider the role which distributors are naturally positioned to successfully deploy DER(A)s in communities they serve.</p> <p>Therefore, the following 5 of the 9 phase one foundational items should be reviewed further beyond the IESO recommendations presented on September 20th.</p> <p><u>Distributor Representation:</u> In the IESO recommendation the single contributor and aggregators are expected to take on all the roles and responsibilities of a registered market participant for stand-alone DERs. The hesitation expressed in the IESOs rationale for this decision is that they require regulatory interpretation of (the OEB Act) from the Ontario Energy Board to move forward with discussion of distributors also being considered as entity/entities representing IESO market participants. The IESO is limiting participation in this market by not addressing OEB interpretation and considerations prior to establishing the foundational model and moving forward. Distributors should also be permitted to participate in this DER design as they are currently able to participate in IESO markets and could do so with experience. Distributors have existing relationships with DERs and if DERs wish to participate through distributors they should not be limited in their ability to do so. Distributors have a mandate to provide customers with choice and the service them reliably. While we understand this consideration for owners and aggregators is to establish a foundation (starting point) for design, the IESO should not close consideration for a model that might include distributors to represent the IESO MPs. The IESO should make a clear commitment in its foundational model approach to include distributors as this recommendation minimizes the DER(A) participation.</p> <p><u>Participation & Aggregation Locational Requirements:</u> While we recognize that single node option (the IESO recommendation) is simplistic and offers the most manageable solution as a starting point in the DER foundational model, we would encourage the IESO not to limit future consideration for multi-node approaches. A multi-node approach would be beneficial to increase uptake in DER,</p>

whereas the single node requirement for aggregation and a minimum threshold is prohibitive for customers that do not fall within these circumstances. In its foundational modelling the IESO should make the commitments to aggregation and updating the Dispatch Schedule and Optimization and those tools which allow for these participation barriers to be removed. The IESO needs to look to those with experience to review steps towards multi-node aggregation in its enhanced models. In reviewing the multi-node aggregation in future, the IESO should work closely with distributors to ensure the design considers distribution system impacts.

Minimum / Maximum Thresholds: It is our experience that Minimum and Maximum limitations **will be barriers to diversity of inclusion for the customers.** By limiting the thresholds, we are deterring participation. While we are supportive of a stepped approach to limits, we encourage that the IESO considers establishing an appropriate limit with supportive analysis and a clear timeline of any further inclusions in the future. Particularly as these thresholds are outside of the FERC 2222 best practices. The IESO rationale for maximum thresholds is expressed as concern for reliability reasons, however this may not be the case in many areas and distributors will be able to provide the expertise to identify the level of risk. The IESO should work closely with distributors in the future if there is to be changes to thresholds. As the customer facing entities, distributors encourage the IESO to develop a communication plan with threshold explanations to discuss with customers, particularly if thresholds are set that limit a customer's ability to participate in the market.

Level of Telemetry: The IESO recommendation for visibility requirements is consistent with our previous recommendation and the need for distributor level resource telemetry points and statuses is considered a very important aspect in the foundational model. While the IESO has recommended this, attention to detail needs to be taken to outline these specific requirements with distributor expertise. Distributors play an important role in each of their service territories and can provide the aggregated telemetry and status from the DER Owner / Aggregator.

Level of Metering Installations: Clarity of the required individual metering for each contributor needs to be detailed in the Foundational model. While we agree that this is needed for the settlement of IAMs,

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	<p>we would like confirmation that these are to be metered at the LDC level, and not the IESO. In the future, aggregate metering should be a consideration beyond the foundational model.</p>
<p>Based on the recommendations, are there key options that should be prioritized for the enhanced models?</p>	<p>Key options that should be prioritized in the enhanced models should be the topics identified in our comments above: Distributor Level Resource Telemetry Points, Distributor Representation, Participation and Aggregation. To effectively prioritize enhanced models, the foundational model must be detailed and specific. Timelines should be specified for the IESOs enhanced models.</p> <p>Distributors are the customer facing and naturally positioned entity that can successfully deploy DERs in their networks and should be given prioritized consideration in the enhanced models.</p> <p>It is also important that going forward the entire industry receives a clear understanding on where decision-making authority lies in the foundational model. Foundational considerations should not be delayed due to 'interpretation' and lack of coordination between organizations.</p>

General Comments/Feedback

The IESO should leverage the expertise of distributors in the DER Market to the maximum of its abilities. More generally, enabling DERs connected to the distribution system to participate in IESO markets will require the necessary involvement of transmission and distribution systems. The IESO should also consider the engagement of the utilities more strongly beyond the monthly engagement sessions to ensure that the role of the distributors and potential impacts of the Market Vision and Design Plan on the distribution and transmission systems are understood. Phased, Regional, and Test approaches are encouraged by distributors to fully assess the options and impacts of each decision.