Feedback Form

OEB/IESO Joint Engagement on DER Integration – November 27, 2023

Feedback Provided by:

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Following the November 27, 2023 OEB/IESO Joint Engagement session, the Ontario Energy Board (OEB) and the Independent Electricity System Operator (IESO) are seeking feedback from participants on the joint engagement in general. The OEB and IESO are also seeking feedback on the Joint Study of DER Incentives. Please complete the sections below that are relevant to you.

All of the referenced presentations are posted on the DER Roadmap webpage. The Joint Study presentation is also posted on the dedicated Joint Study of DER Incentives webpage.

Please provide feedback by December 18, 2023 to engagement@ieso.ca. Please use subject header: *OEB/IESO Joint Engagement*. To promote transparency, this feedback will be posted on the DER Roadmap webpage and Joint Study of DER Incentives webpage, unless otherwise requested by the sender.

The IESO and OEB will work to consider and incorporate comments as appropriate and post responses on the webpage.

Thank you for your contribution.

OEB/IESO Joint Engagement

Topic	Feedback
Are there any specific DER initiatives or concerns that should receive focused attention in the OEB/IESO Joint Engagement forum?	
Was today's session useful? How can we improve the next session?	

OEB/IESO Joint Study of DER Incentives

Topic	Feedback
What is your perspective on the current state of DER incentives in Ontario?	As Ontario works to improve DER incentives, consideration of the role played by all market actors in the operation of the distribution system will be critical. The success of residential demand response "Peak Perks" program, with high enrollment in a short period of time, is a great stride in the right direction and sets a precedent for other jurisdictions. However, outside of Peak Perks, revenue opportunities for DER aggregations in the province have been encumbered by complexity and uncertainty.

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What are the biggest challenges Ontario faces when aligning DER incentives?	The participation of DER aggregations in the capacity auction, specifically for hourly demand response (HDR) resources, has historically been associated with aggregator uncertainty. Additionally, HDRs are exclusively compensated for their value on the bulk system, while much of the value they create exists at the distribution level. The issue of adequate recognition and compensation for the value of DERs remains. Capturing distribution system value as well as bulk system value is critical to aligning DER incentives, including evaluation of non-wires alternatives. Currently, LDCs are limited to proposing non-wires alternatives exclusive of Peak Perks participants.
Which mechanisms (slide 7) hold the most promise for the practical and economically efficient deployment and operation of DERs?	Evaluation of distribution system services in addition to bulk system will require participation of LDCs. LDCs are best positioned to capture the value of DERs in their jurisdictions and should be allowed to leverage RDR resources (that currently sit at the IESO level) for local needs as well, potentially as non-wires alternatives. This 'Total Distribution System Operator (DSO)' model will enable DERs to be compensated for their full value stack through the consolidation of the total grid-services suite into a single, flexible resource. This could be possible - without double counting – through utilization of a province wide DERMS.
Do you see any unnecessary / inefficient overlap in existing DER incentives in Ontario (slide 11)?	Inefficiencies in incentives, or rather lost opportunities, lie in foregoing the resolution of distribution grid challenges with bulk grid interventions.

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Which principles are most critical for the success of the DER incentives (slide 13-18)?	Compensation for the full DER value stack and the Total DSO model as mentioned above are most critical for the success of DER incentives.
Where are the most significant gaps in "value stacking" with DERs in Ontario (slide 14)?	The value of DERs at the distribution level is the most significant gap in the value stack. Non-wires alternatives value methodology is needed for the development of province-wide flexibility market. LDCs should be allowed to collectively fund local measures and unlock flexibility at the distribution level that will in turn drive significant value on the bulk system.
Are there any specific DER technologies or applications that present unique challenges that may require more tailored incentives?	EnergyHub manages a wide variety of DER technologies including residential batteries, connected thermostats, and electric vehicles. As such, we understand that different DER technologies have unique use cases. For example, while thermostats lend themselves particularly well to event-based demand response, we expect that the use case for electric vehicles lies in more continuous load control and economic optimization. Tailored incentives that support the unique opportunities with different device classes can help ensure the ability to leverage constantly flexible resources while maintaining the ability for emergency response.

General Comments/Feedback on Joint Initiatives

Valuation of local grid services at the LDC level while maintaining the IESO's current monetization of bulk system value will enable innovative flexibility markets.

General Comments/Feedback on OEB DER Activities

General Comments/Feedback for the IESO DER Activities