Stakeholder Feedback and IESO Response

ERP Storage and Co-located Hybrid Integration Project

Following the October 16, 2025, ERP Storage Project engagement session, the IESO invited participants to provide comments and feedback on the materials presented by October 31, 2025.

The presentation materials and stakeholder feedback submissions have been posted on the ERP's Storage Project webpage for this engagement.

Please reference the material for specific feedback as the below information provides excerpts and/or a summary only.

If you have any questions or concerns, please contact engagement@ieso.ca.

Ramp Rate Limitation

Stakeholder Feedback	IESO Response
Stakeholders have expressed concern about a proposed 100MW/min ramp rate limitation, indicating that it limits efficiency and competition for battery storage facilities. The IESO appreciates the efforts stakeholders have put into the examples provided to the IESO. Stakeholders have requested that the IESO provide additional information and data to support their proposed ramp limit.	The IESO acknowledges the concerns raised by the battery storage stakeholder community on the proposed ramp rate limitation. The IESO will be holding a technical session on this topic for interested and impacted participants in December 2025 to provide an opportunity for stakeholders to discuss their submitted feedback, and for the IESO to provide additional information, context, and next steps on ramp rate for storage facilities. To join the session, please contact engagement@ieso.ca.

Initial State of Charge Parameter

Stakeholder Feedback	IESO Response
Stakeholders have expressed concern about the Initial State of Charge dispatch data submission. The concern is the financial exposure for market participants (MPs) related to divergence between estimated ISoC values used to produce financially binding Day Ahead Market (DAM) schedules, and the actual SoC at the start of real-time (RT) operation. Stakeholders provided suggestions, including operational or settlement mechanisms, to offset financial risks.	Thank you for the feedback. The Initial SoC parameter is required to initialize the DAM engine and is an- established requirement as a part of the Optimization design. The IESO is considering making ISoC, and most Dispatch Data parameters, mandatory submissions. The IESO also acknowledges the MPs' concern regarding financial exposure and will discuss this further as part of the settlements design. ERP is currently working on a proposed settlement design and aims to provide more clarity in Q1 2026. While working through the design, ERP will evaluate the best option for ISoC submission in DAM, potential settlement treatment related to it (if appropriate) and obtain feedback from stakeholders on design options before they finalize design.

SoC Management Opt-Out

Stakeholder Feedback	IESO Response
Stakeholders request the ability to opt out of IESO SoC management and manage their SoC (and by extension, bids and offers relating to SoC) themselves.	Thank you for your feedback. SoC management is a key component of ERP's Storage and Hybrid Integration Project. ERP is implementing SoC management to enable the IESO to accurately reflect operational capabilities in the market clearing engines. This supports better planning, improved visibility, and enhanced reliability of the grid. ERP is not contemplating permitting voluntary participation in SOC management at this stage.

Contract Management

Stakeholder Feedback	IESO Response
Stakeholders strongly encourage the IESO to work closely with Contract Management when making design considerations and drafting Market Rules. Stakeholders have suggested holding a session with the IESO's Design and Contracts teams with stakeholders present.	The ERP team works closely with other lines of business across the IESO. To the extent that ERP impacts any IESO contracts, those implications will be managed in accordance with respective contract terms. If any implications are identified, the IESO will engage contract counterparties early, to plan for any contract amendments that may be necessary.

Compliance Aggregation

Stakeholder Feedback	IESO Response
Stakeholders appreciate the IESO's step towards allowing compliance aggregation of storage	ERP is investigating compliance aggregation and will inform the sector of unique requirements under this treatment.

resources but express concern that the current ± 15 MW tolerance band may be insufficient. Furthermore, stakeholders request that the IESO amend the Optimization Design Memo to state how the IESO intends to structure BESS facilities at common connection points if there is a requirement for multiple units to submit bids/offers and provide reasoning on when the IESO decides multiple units at a common connection point is required.	Quick Start Facilities operating in a Compliance Aggregate must operate within an aggregated deadband. The aggregated deadband is the greater of one half of the largest single generation unit in the Compliance Aggregate or 15 MW. The IESO expects storage resources to align with current compliance deadband requirements. If resources are unable to do so, the IESO is requesting additional information on specific challenges that may not allow these requirements to be met.

Internal Service Load (ISL)

Stakeholder Feedback	IESO Response
Stakeholders seeking confirmation the ISL value will be submitted for each hour and can be adjusted up until the submission closing period.	The ISL will be a Registration & Daily Dispatch Parameter, meaning it can be updated hourly to provide the engine with up-to-date information on the battery's operations. When a daily dispatch parameter is updated, the new value will apply in the next hour real-time multi-interval optimization (RT-MIO) or the beginning of the next pre-dispatch (PD) run, and forward for the rest of the day, unless the parameter is updated again, later in the day. This value will be validated against the Maximum ISL that is submitted during registration. Submissions can be at or below the registered value. The IESO is using daily dispatch data for a phase 1 delivery to support fewer complexities with implementation but still supports some flexibility for the MP. The values can be updated within the mandatory window but will only be reflected in the engine if submitted prior the initialization process of the RT engine (begins 10 mins prior to each hour). If the MP cannot submit it in time for the RT initialization, the engine will use the previous value submitted.

Round Trip Efficiency (RTE)

Stakeholder Feedback	IESO Response
Stakeholders note that RTE is an estimated value, typically recorded after cycling is complete, and request clarity on how the RTE value will be used within SoC management and availability assessments.	RTE will also be a Registration & Daily Dispatch Parameter, meaning it can be updated hourly to provide the engine with up-to-date information on the battery's operations. Like the ISL, when a daily dispatch parameter is updated, the new value will apply in the next hour RT-MIO or the beginning of the next PD run, and forward for the rest of the day, unless the parameter is updated again later in the day.

The IESO requires an accurate RTE to properly account for MWhs available for injection to accurately schedule and dispatch and allow the IESO to understand how much energy storage can provide meet system needs. Like other jurisdictions, the RTE value will be used to reflect   energy that will be available for a future injection, accounting for efficiency losses while withdrawing. Please refer to the publicly available documentation from the October 16, 2025, engagement session for additional details on how this accounting takes place.

Please note that operational RTE in this context is different than the RTE defined in the ELT/LT1 procurement contracts. |

PQ Pairs

Stakeholder Feedback	IESO Response
Stakeholders expressed concern that 5 PQ pairs for OR were insufficient.	Thank you for your feedback. The IESO is not considering expanding the number of PQ pairs for OR as a part of Phase 1 to limit implementation complexity. Documentation from October 16, 2025, engagement session outlines how OR offers can be structured using the 5 PQ Pairs.

Market Power Mitigation

Stakeholder Feedback	IESO Response
Stakeholders seeking clarity on the obligations under Market Power Mitigation for energy offers to meet physical withholding obligations.	The existing Market Power framework for energy storage resources as it relates to the reference quantities are in market manual 14.
	ERP is currently working through MPM design and aims to provide more clarity in Q1 2026.
	MPs can structure their offer curve in a manner that supports their objectives regarding injecting and withdrawing, while aligning with the MPM framework. Physical withholding currently applies to injections and not withdrawals in the energy market.

Registration Parameters

Stakeholder Feedback	IESO Response
Stakeholders request additional clarity regarding the conditions and cost at which IESO may access incremental energy up to absolute max and min.	ERP is introducing these values to support maintenance of the resource but are also introducing constraint violation pricing that may result in bypassing submitted SoC limits of the battery. They also provide a clear indication of the actual physical capability of these resources. ERP will provide additional guidance on conditions when incremental energy can be accessed as a part of Batch 2, dispatch data design element.