

December 18, 2020

Shawn Cronkwright  
Director, Market Renewal Operations  
Independent Electricity System Operator (IESO)  
1600-120 Adelaide Street West  
Toronto, ON M5H 1T1

Dear Mr. Cronkwright,

On November 26, 2020, the IESO presented proposed reference level and reference quantity methodologies for energy storage resources, including a review of the draft written guide and workbooks, as part of the Market Renewal Program (MRP) Implementation Phase engagement on Market Power Mitigation. Energy Storage Canada (ESC) submits the following feedback on the IESO's proposed approach for consideration.

### **1. Clarification on Detailed Design and Implementation Phase for Energy Storage Resources**

The Interim Storage Design is expected to be implemented in Q1 2021 per the IESO's now concluded Storage Design Project (SDP). While the draft Detailed Design documents have been provided for stakeholder review and commentary over the course of the past year, none of the Detailed Designs specifically account for energy storage market participants directly. Throughout the Detailed Design phase, several stakeholders have sought clarification from the IESO regarding the coordination of the MRP and the Interim Storage Design. While the IESO has suggested that there continues to be coordination between the SDP and MRP, details of such coordination have yet to be shared with industry stakeholders for input. As such, there are questions about whether aspects of the MRP Detailed Design need to be clearly linked, coordinated, or clarified given the Interim Storage Design.

Given the IESO has yet to clarify its approach for aligning the Interim Storage Design and the MRP, we find consultation on reference levels and reference quantities to be premature.

### **2. Consideration of Non-Pumped Storage**

Aside from pumped storage, there are very few energy storage resources participating in the IESO-administered Markets (IAM). While we anticipate greater participation of energy storage resources in the IAM over time, it is not clear how much energy storage, and of which technologies, will come online and register to participate in IAM in the future, and whether those storage resources will be of sufficient scale to be subject to the Market Power Mitigation framework. We therefore consider it to be premature to define the cost components for multiple technologies within this framework.

In the future, if there is a non-pumped storage facility that is ready to be commissioned and registered in the IAM, it would be appropriate to establish reference levels and reference quantities at that time.

Thank you for the opportunity to provide this feedback, and we look forward to next steps with MRP implementation.

Sincerely,

A handwritten signature in black ink, reading "Justin W. Rangooni". The signature is written in a cursive, flowing style with a prominent initial "J".

Justin W. Rangooni  
Executive Director