

# Innovation and Sector Evolution White Paper Series – Feedback Form

## Exploring Expanded Distributed Energy Resource (DER) Participation in the IESO Administered Markets (IAMs): Part 2: Options and Considerations for Enabling DER Participation

Webinar Date: January 30, 2020

**Date Submitted:** 2020/02/13

**Feedback Provided By:**

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On January 30, 2020 the IESO held a public webinar on the DER white paper series, presenting draft high-level options and considerations to enhance DER participation in the IAMs. The IESO is now seeking feedback on these draft options. This feedback will be used to help determine which options and approaches are more fully explored in the second DER white paper. The IESO will work to consider and incorporate comments as appropriate and post responses on the engagement webpage.

The referenced presentation can be found under the January 30<sup>th</sup>, 2020 entry on the [Innovation and Sector Evolution White Paper Series Engagement Webpage](#).

**Please provide feedback by February 13, 2020 to [engagement@ieso.ca](mailto:engagement@ieso.ca).** Please use subject: *Feedback: Innovation White Paper Series - Part 2: Options and Considerations for Enabling DER Participation*. To promote transparency, this feedback will be posted on the [Innovation and Sector Evolution White Paper engagement page](#) unless otherwise requested by the sender.

Thank you for your time.

Question	Feedback
<p>Would the draft options presented in the <a href="#">posted presentation</a> enhance DER participation in the IAMs?</p>	<p><b>Adjusting the minimum size threshold</b></p> <p>CanSIA supports adjusting the minimum size threshold for participation in market. However, we recognize that market participation will likely be cost prohibitive for small scale projects. Would IESO simply extend down the status-quo market rules, or would the requirements be adjusted for small scale participants? CanSIA would like to express concern for the phased approach to adjusting the participation size threshold, particularly as it is unclear how the IESO intends to address fairness, timing and administrative burden considerations, and uncertainty with respect to what a “reasonable method” would be for selecting eligible resources.</p> <p><b>Clarifying aggregation rules &amp; processes</b></p> <p>CanSIA supports clarity on aggregation rules and processes.</p> <p><b>Modifying aggregation boundaries</b></p> <ul style="list-style-type: none"> <li>Establishing sub-zonal aggregation boundaries for smaller zones could potentially increase the cost to participate. While we understand the rationale, doing so could result in a more challenging environment for participants (e.g., fewer potential contributors in the zone). IESO should ensure it studies these dynamics before implementing any changes to the current zonal boundaries.</li> </ul>

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	<ul style="list-style-type: none"> <li>• IESO should consider existing projects and how they are currently participating. If a change in rules occurs, it will have an impact on existing aggregations participating in DR / capacity auctions.</li> <li>• Additionally, the IESO should consider how changing rules/boundaries need to be managed through fair process to provide investment certainty for contributors.</li> </ul> <p><b>Modifying aggregation compositions</b></p> <p>“Mixed aggregations” should include mix of renewables and energy storage (e.g. solar + storage systems).</p> <p><b>Identifying and communicating system needs and capabilities</b></p> <p>CanSIA strongly supports exploring effective and low cost telemetry options.</p> <p><b>Identifying and communicating system needs and capabilities</b></p> <p>CanSIA strongly supports the proposed identification and communication of T&amp;D hosting capacity. Information about hosting capacities increase transparency on system constraints and needs, and better inform implementation efforts by DER developers. Coordination with ongoing OEB DER interconnection review will be necessary to implement this proposal.</p>

Question	Feedback
	<p><b>Create participation model for aggregated non-dispatchable generation</b></p> <p>IESO’s proposal for non-dispatchable aggregations is intriguing (i.e., schedules or forecasts). IESO should consider whether there is a need for this “aggregation” option if the minimum size threshold is also amended. For example, it may be more efficient for the IESO to receive individual schedules/forecasts from non-dispatchable generators less than 1 MW rather than from the aggregated facility.</p> <p><b>Enhancing T-D interoperability</b></p> <ul style="list-style-type: none"> <li>• As pointed out by several stakeholders in earlier engagements, there is need for coordination with the OEB across the board, but specifically regarding the proposed codes and standards modification, linkages with the OEB’s DER Connections Review should be identified.</li> <li>• The proposed option to modify connections/registration process for aggregations to collect constituent resources, communicate them to the LDC, and receive approval from LDC represents a new role for LDCs. IESO should ensure that this proposal has buy-in from LDCs and OEB, and consider how incentives or obligations for LDCs may be required to perform these new tasks. IESO should ensure coordination with OEB and stakeholders, particularly with respect to the OEB consultation on Utility Remuneration and Responding to DERs.</li> </ul>

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	<ul style="list-style-type: none"> <li>• What is IESO’s definition of “LDC....control over constituent resources within aggregations” within the context of options highlighted under Enhancing T-D interoperability?</li> </ul>
<p>Are there other implementation considerations the IESO should be aware of?</p>	<p>The IESO has mentioned that it is not committing to implementing the options being investigated at this time. What would the decision-making criteria be for choosing to pursue options further?</p>
<p>Are there other options the IESO should be exploring in the second DER white paper?</p>	<p>How do the IESO’s principles for integrating DERs align with the IESO innovation roadmap goals/priorities? For example, one principle of the innovation roadmap was "recongizing the value of exisitng assets" – CanSIA members would be interested in how any new treatment may impact existing investments.</p>

**General Comments/Feedback:**

- Generally, CanSIA would like to express support for the IESO’s efforts and exploration of options to alleviate barriers to DER deployment in the Whitepaper Series, and enhance DER participatin in IESO markets, as well as the IESO’s recognition of the role that DERs will play with respect to meeting supply needs arising in the mid-2020s.
- CanSIA believes that prioritizing the enhancement of dispatchable model is fair, however, IESO should recognize that there is a significant amount of generation already connected that is not dispatchable today with no incentive to “convert” and become dispatchable (i.e., firming-up existing solar sites through the addition of storage).
- IESO should provide clairy about what level of visiblity is required for DERs. Today, solar and wind assets greater than 5 MW must already register to provide data for IESO forecasting (i.e., meterological data, etc.). To what extent does the IESO need visisiblity of resources operating on the distribution system?

- The IESO's whitepapers should also acknowledge that Ontario does not have a full capacity market and the IESO has instead implemented capacity auctions for selected resources. With the postponement of the Resource Adequacy engagement – which is proposed to identify complimentary procurement mechanisms – the IESO should ensure that the whitepapers remain flexible enough to accommodate the participation of DERs in the IESO market even when the procurement of DERs is outside of an IESO capacity auction.
- CanSIA emphasizes the important role of multi-technology aggregations (e.g. solar+storage deployment) as a dispatchable resource that can bring significant value to the grid by meeting capacity needs and providing ancillary system benefits. Specifically, members have an interest in exploring how such hybrid projects can be integrated into the IAMs.