

Feedback Form

White Paper Part II: Exploring Expanded DER Participation in the IESO-Administered Markets – November 19, 2020

Feedback Provided by:

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Following the November 19, 2020 webinar to discuss Part II of the Exploring Expanded DER Participation in the IESO-Administered Markets white paper, the IESO is seeking feedback from participants on the draft paper, including on the participation options, which will inform planning for future work to enable DERs. The IESO will work to consider feedback and incorporate comments as appropriate and post responses on the engagement webpage.

The referenced presentation can be found under the November 19, 2020 entry on the [Innovation and Sector Evolution White Paper Series webpage](#).

Please provide feedback by December 10, 2020 to engagement@ieso.ca. Please use subject: *Feedback: DER White Paper*. To promote transparency, this feedback will be posted on the [Innovation and Sector Evolution White Paper Series webpage](#) unless otherwise requested by the sender.

Thank you for your time.

DER Participation in IAMs

Topic	Feedback
Which of the options would be most effective to encourage DER participation in the IAMs? Why?	<p>Peak Power believes that the most effective options in encouraging DER participation in the IAMs are 1) reducing minimize threshold size, 2) modifying aggregation compositions, and 3) permitting alternative telemetry sources. These options:</p> <ol style="list-style-type: none"> 1. Help to ensure Ontario’s competitiveness, by keeping its market rules in line with the passage of FERC Order 2222 (e.g., reducing the minimum size to 100kW enables 600MW of the 900MW of existing contracted resources) 2. Generate complementary benefits by enabling participation where one option alone may be insufficient (e.g., a building that provides 100kW of capacity through behind-the-meter storage, solar, and demand response may require all three options) 3. Are mostly likely to lead to nearer term grid benefits, rather than when DER penetration on the grid is substantial; other options deliver benefits at higher penetrations of DERs and may present a greater administrative burden to work with all LDCs, which reduces the net benefit to end customers

Potential Impacts to Stakeholders

Topic	Feedback
Are there additional potential impacts to stakeholders that have not been explored in the white paper?	<p>Lowering the barriers to participation in IESO administered markets will create new revenue streams for homeowners and businesses that invest in DERs for reliability or other reasons. This will have the net effect of lowering electricity costs for those that invest in DERs, while opening up a new industry of solutions providers, financiers, aggregators, etc.</p>

Implementation Considerations

Topic	Feedback
Are there additional implementation considerations that have not been explored in the white paper?	

Looking Ahead to Implementation

Topic	Feedback
Which wholesale products/services would DER owners/aggregators seek to provide in the IAMs if these options were implemented in the future? Using what technologies? Are there specific options that would allow these products/services to be offered?	If electric vehicle (EV) sales projections hold, EVs will soon become the most ubiquitous DER with the largest available capacity and energy of any DER category. Market reforms that consider resources beyond those under contract today provide the best opportunity to invite competition and ultimately lower costs to consumers.

General Comments/Feedback

Peak Power applauds the IESO for its initiative in exploring and pursuing options to reduce the barriers to market participation for DERs.

While the majority of the existing IESO-contracted DERs do not reach contract maturity until the 2030s, Peak Power believes a timely adoption of reforms to enhance DER participation will ensure Ontario maintains competitiveness across North America and the globe, since market reforms and decreasing hard and soft costs are creating transformation in grids around.

Peak believes that allowing expanded participation of DERs in IESO administered markets will reduce industry reliance on the Industrial Conservation Initiative (ICI) as the primary revenue stream. As has been seen due to recent regulatory changes (ICI freeze, and re-allotment of GA costs) the ICI program was not designed to support DERs and more efficient, cost-effective, and sustainable models are possible.

Peak Power recognizes the challenges in committing to clear timelines for reforms, but believes that clear timelines will help to create market certainty, further aligning stakeholders and driving costs down for customers.

Peak encourages the IESO to consider how to use this whitepaper to springboard market reforms, such as a full capacity market or flexibility market concepts like those emerging in Europe.