# Stakeholder Feedback Form: MRP Energy Detailed Design

## Design Document: Grid and Market Operations Integration

Date Submitted: 2020/07/31

Feedback Due: July 24, 2020

Feedback provided by:

- Company Name: Electricity Distributors Association
- Contact Name: Kathi Farmer

The IESO is posting a series of detailed design documents which together comprise the detailed design of the MRP energy stream.

This design document is posted to the following engagement webpage: http://ieso.ca/en/Market-Renewal/Energy-Stream- Designs/Detailed-Design.

Stakeholder feedback for this design document is due on July 24, 2020* to engagement@ieso.ca.

Please let us know if you have any questions. IESO Engagement

*The original due date for feedback was July 31, 2020 and IESO officials have agreed to accept submissions up to and including this date.

## General Feedback on the Detailed Design Document

Ontario's local distribution companies (LDCs) are the face of the industry to the overwhelming majority of the end users in the province: they serve over 5,000,000 customers and deliver approximately 125 TWh – or about 90% - of all the electricity used in the province.

These are the comments of the Electricity Distributors Association(EDA) on the Independent Electricity System Operator's (IESO) Detailed Design for Energy – Market Renewal Program (MRP). Our focus is on matters directly relevant to local distribution companies (LDCs), that are assigned non-dispatchable load (NDL) status. We offer the perspective of both LDCs and LDC-connected customers. Our objectives are to provide constructive comments that will support the transition from Detailed Design to Implementation and to identify improvements to the Detailed Design. These comments build on our comments made during the High-Level Design phase.

Generally, we agree with the objectives of the MRP, being to improve economic efficiency, transparency and competitiveness of Ontario's wholesale electricity market that, in combination, are expected to lower electricity costs for consumers. In addition to identifying the required amendments to IESO Market Rules and Market Manuals, we advocate that the IESO, the Ontario Energy Board (OEB), and the Ministry of Energy, Northern Development and Mines (MENDM) proactively engage with LDCs and their customers to identify, scope, evaluate and decide on:

- enabling legislative amendments; and
- amendments to regulatory policy (e.g., the mechanics of the Regulated Price Plan (RPP), the price that LDC embedded generators are to be paid) and regulatory instruments (e.g., OEB codes including the Distribution System Code (DSC), Retail Settlement Code (RSC), Standard Supply Service Code (SSSC))

that will, in concert, support LDCs as they move forward with implementation of MRP. We also urge the IESO, the OEB and MENDM to appropriately sequence these changes. Given the timeframe of proposed implementation and complexity of the changes, there are natural advantages of convening stakeholder consultations at the earliest opportunity.

The general themes of this submission are:

- That the preparation of demand forecasts for Non-Dispatchable Loads (NDLs) needs to be explicitly included in this Detailed Design document
- That this Detailed Design document needs to reflect changes proposed in other processes or by other groups.

## Section 1 Introduction

### Detailed Comment

Figure 1-1 appears to mistakenly reference the "Prudential Security Detailed Design" rather than the "Grid and Market Operations Integration Detailed Design."

## Section 2 Summary of Current and Future State

### Detailed Comment

We find that this section provides suitable overviews of both:

- the current operation and integration of data inputs of the wholesale market, between the day-ahead, dispatch day and dispatch hour; and
- the proposed changes resulting primarily from the adoption of a day-ahead market (DAM) and locational marginal prices (LMPs) in the renewed market.

We propose that the participant descriptions provided in this section be updated to reflect the proposed changes identified by the Energy Storage Design Project (ESDP) interim design. Specifically, the descriptions should include the proposed "electricity storage participant" that will be a registered market participant authorized to submit dispatch data (if dispatchable) or schedules (if self-scheduling).

## Section 3 Functional Design

### Detailed Comments

Our comments on this section focus exclusively on non-dispatchable loads (NDL) because Ontario's LDCs are registered as NDLs. NDLs will not be obligated to participate in the DAM, pre-dispatch(PD) or real-time market (RTM) processes and the IESO will continue to forecast its demand.

### Detailed Comments 3.4.5 Demand Forecast Assessment and Adjustment

We recommend that the Detailed Design be clarified by describing each type of demand forecast that is produced, the methodology for calculating each type of demand forecast, and how each type of demand forecast will be used in the scheduling processes and price formation. Further, we recommend that the IESO ensure that NDL demand forecasts are addressed in all sections that deal with demand forecasts.

We were unable to find a discussion of either NDL demand forecasts or of how NDL demand forecasts will be used in the IESO's scheduling process(es). Whereas other documents, such as the IESO's Detailed Designon "Offers, Bids and Data Inputs", describes the production of NDL demand forecasts and other demand forecasts, section 3.4.5 of this Detailed Design document is silent on NDL demand forecasts.

We recommend that the IESO comment on the process and methodology that will be used when producing demand adjustments that will be input into the PD calculation engine.