

Feedback Form

Resource Adequacy webinar – January 26, 2021

Feedback Provided by:

Name: Click or tap here to enter text.

Title: Click or tap here to enter text.

Organization: Electricity Distributors Association (EDA)

Email: Click or tap here to enter text.

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Following the January 26, 2021 engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the following items discussed during the webinar. Background information related to these feedback requests can be found in the presentation, which can be accessed from the [engagement web page](#).

Please submit feedback to engagement@ieso.ca by February 17, 2021. If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

General Comments/Feedback

Ontario's local distribution companies (LDCs) take delivery of approximately 125 TWh - or about 90% of all the electricity used in the province - from the IESO, and redeliver it to the over 5 million customers they serve. Ontario's LDCs are the face of the industry to the overwhelming majority of the end users in the province who look to LDCs for the answers and insights they need to manage in Ontario's electricity marketplace.

New advances in technology are becoming more affordable and accessible for electricity customers, and greater demands are being placed on LDCs with respect to integrating DERs. Given the speed at which DERs may be deployed in Ontario, we believe ongoing collaboration between the IESO and LDCs is required to inform plans and procurements to ensure that resource acquisition plans are cost-effective and avoid duplication.

Feedback Requested

Topic	Feedback
Does the proposed process to set acquisition targets and select competitive mechanisms align with stakeholder needs?	<p>The EDA is supportive in principle of the proposed process. We request that local distribution companies (LDCs) be provided opportunity during the preparation and data gathering stages to help inform the annual acquisition report (AAR). We believe that such opportunity for an information exchange will improve procurement plans, particularly as it relates to the availability of distributed energy resources (DERs) to provide capacity or other electricity services.</p> <p>We request that the IESO provide additional information with respect to the overarching decision-making process that will be used to establish acquisition targets and selection of competitive procurement mechanisms. For example, the IESO should specify metrics and analysis that will be shared in the AAR to support the IESO's procurement decisions. This will improve confidence and trust that the proposed targets and competitive mechanisms identified by the IESO will support lowest costs and best outcomes for consumers.</p>

Topic	Feedback
<p>Is there any additional information that the IESO should consider including in the Annual Acquisition Report (AAR) to help participants make investment decisions?</p>	<p>As discussed in the EDA's Power to Connect: Roadmap to a Brighter Future, the EDA notes that centralized procurement of electricity resources does not necessarily align with LDC planning. We acknowledge that the IESO's framework considers input via local planning (i.e., regional plans); however, we urge the IESO to take active steps by consulting with LDCs to identify potential areas of collaboration where procurement of new resources could provide multiple system benefits. For example, non-wires solutions deployed to alleviate a distribution system constraint should also be eligible to provide capacity to support province-wide resource adequacy needs.</p> <p>Therefore, we suggest the AAR should also include:</p> <ul style="list-style-type: none"> • Consideration of distribution system planning (i.e., where non-wires solutions have been identified), • Contributions from energy conservation programs or other initiatives that impact province-wide capacity requirements, • Availability of controllable or dispatchable loads that may offset peak system needs, and • Identification of capacity constraints, as well as inclusion of potential "beneficial" DER connection points. <p>The EDA suggests formalizing discussions with LDCs on resourcing matters, perhaps by establishing a working session/group (e.g., to identify appropriate processes for information exchange related to the development of the AAR).</p>
<p>What are the timing considerations from a stakeholder perspective with respect to the AAR?</p>	<p>The EDA supports the proposed timelines for developing the AAR, in that it follows the publication of the annual planning outlook (APO). While time will be of the essence in publishing the AAR, significant analysis and input from stakeholders will also be required to inform the AAR. We therefore recommend that the IESO publish an annual timeline that lines up the input and consultation phases, analysis phases and decision phases of both the AAR and the APO.</p>

Topic	Feedback
Are there any concerns with the proposed Capacity Auction enhancements?	<p>We do not have any specific concerns with the proposed near-term enhancements. We note that the IESO is also consulting on plans to incorporate DERs more broadly in the IESO Administered Market, which could lead to greater participation of DERs in future capacity auctions or other competitive procurements. DERs can be connected in a variety of ways and the EDA proposes that the IESO address a party's ability to participate in the full range of IAMs, whether directly (e.g., by providing a service) or indirectly (e.g., by eliminating the need for the IESO to provide a service). Therefore, we request that the IESO provide a plan or timeline for when new DERs are anticipated to be eligible to participate in capacity auctions. This information will inform distribution system planning and other LDC activities.</p>