IESO York Region Non-Wires Alternatives Demonstration Project Feedback Form

July 23, 2020

Date Submitted:	**Feedback Provided By:**	
2020/08/13	Company Name:	Peak Power Inc.
	Contact Name:	Matt Sachs
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Following the July 23, 2020 webinar to discuss the IESO York Region Non-Wires Alternatives Demonstation Project, the IESO is seeking feedback from participants on the Draft Demonstration Project Rules. Please provide your feedback in Table 1 below. The IESO will work to consider feedback and incorporate comments as appropriate and post responses on the engagement webpage. The referenced presentation and associated Draft Demonstration Project Rules can be found under the July 23, 2020 entry on the IESO York Region NWA Demonstration Project webpage.

The IESO is also seeking more information about your organization. Please complete the applicable sections in Table 2 below. Please note the IESO will not post the information you submit in Table 2.

Please provide feedback by August 13, 2020 to engagement@ieso.ca. Please use subject: *Feedback: York Region NWA Demo*. To promote transparency, feedback submitted in Table 1 below will be posted on the IESO York Region NWA Demonstration Project webpage unless otherwise requested by the sender.

Thank you for your time.

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Table 1

Topic	Feedback
Do the proposed dates present any challenges?	Peak Power cautions against insights pertaining to price discovery of the Demonstration Project given the proposed datse of the Project. Although Peak Power appreciates time and resource constraints that make long lead times and long contract lengths for this Project challenging, larger projects (over 500 kW) projects can take several to develop. With auctions occurring in November 2020 with a commitment period starting May 2021, Peak Power anticipates that only existing resources – or those already far in development – can feasibly participate in the auction. Some new smaller (<500kW) projects may be able to participate. Furthermore, with the pilot length only lasting two years, it is unlikely that new projects would be able to secure funding for such a project; cost recovery for such a project is typically at least five years. Additionally, Peak Power further notes the dynamic local conditions for behind-the-meter energy storage that might impact the auction. Examples include the June 26 announcement by the Ontario Ministry of Energy, Northern Development and Mines of the pause on Global Adjustment assessment for participants in the Industrial Conservation Initiative, as well as the August 6 Bulletin from the Ontario Energy Board Bulletin titled "Ownership and operation of behind-the-meter energy storage assets for remediating reliability of service".
General feedback on the Draft Demonstration Project Rules (please include the specific section of the Rules being referenced)	Peak Power notes that with a long Availability Window (12:00-21:00 on Business Days, per definition in Section 1.8) may limit competition, and that the IESO may want to permit a registrant-defined Availability Window and a portfolio-based approach to meeting the 10MW need across the Availability Window. This approach has been taken for other non-simulated Non-Wires Alternative projects, such as the Brooklyn Queens Demand Management program, which used a portfolio of six technologies to meet an overload need of 20-55MW, during the

Topic	Feedback
	window from noon to midnight. As of August 2017, the project was projected to deliver $95 million in net benefits. Peak Power notes that the success of the BQDM program can be attributed to other factors, such as the execution of long term contracts which help create predictable cash flows for owners and financiers.

General Comments/Feedback:

Peak Power commends the IESO and Alectra for this innovative demonstration project to test the use of a capacity market as a non-wires alternative in the York Region. Peak Power applauds the IESO for taking the next step in realizing the vision described in its "Development of a Transmission-Distribution Interoperability Framework" whitepaper, by testing a Hybrid DSO model in the Desmontration Project. Peak Power would urge the IESO to also test other architectural and market models described in – but not limited to – Section 4 of its whitepaper in the interest of learning what best meets the needs of a clean, reliable, efficient, and customer-oriented electricity grid for Ontarians. Peak Power would also urge the IESO to consider ancillary services and other reliability services that distributed energy resources (DERs) can deliver, in the interest of unlocking all value that DERs can offer to customers and system operators alike.