

Final Engagement Summary Report

Date: December 2024

IESO York Region Non-Wires Alternatives Demonstration

Engagement Initiated: December 2019

Engagement Description

The IESO launched the IESO York Region Non-Wires Alternatives (YRNWA) Demonstration engagement to gather feedback from stakeholders on the concept design for the demonstration project, including proposed resource eligibility, demonstration timelines, distribution locational marginal pricing, participation rules and the participation agreement. The development of the project was informed by two IESO-led [white papers](#). The engagement also allowed for feedback from stakeholders on the final evaluation of the YRNWA Demonstration and the recommendations for future programs.

Stakeholders were invited to provide input on the draft white papers, the design of the demonstration project, including the draft rules, and draft standard contracts and modelling studies. At the conclusion of the pilot, the IESO presented on the final evaluation of the project and recommendations for future programs, for which the IESO sought stakeholder feedback.

The project was funded through the IESO's Grid Innovation Fund and Natural Resources Canada, and was delivered by Alectra Utilities, the local distribution company in York Region.

Engagement Objective

The primary objective of this engagement was to gather stakeholder input on the design, including the contract design and rules, for the YNWA, to gather a better understanding of the potential use of DERs in place of traditional infrastructure by enabling them to operate real-world applications. This engagement initiative was launched following the release of two IESO-led white papers that described how transmission and distribution systems will need to function and interact and market-based approaches for procuring DERs.

A key focus of the engagement was identifying the design of the demonstration including proposed resource eligibility, demonstration timelines, distributional marginal pricing, participation rules and the participation agreement.

Engagement Approach

This stakeholder engagement was a public engagement process conducted in accordance with the IESO's approved engagement principles. The approach for this engagement initiative included opportunities to provide input through webinars, and written feedback. All materials including public feedback from stakeholders and IESO responses to feedback were posted on the dedicated IESO engagement webpage for this initiative.

Conclusion

The IESO received valuable feedback from stakeholders across various sectors, which assisted the IESO with drafting a demonstration pilot design with program rules and contract that would ensure the demonstration pilot had the best design characteristics in place meet the objective of the project. The demonstration project lasted for over two years with opportunities throughout its operation for stakeholder input that resulted in updates to project rules and contracts for participation.

A final evaluation and presentation of the findings and recommendations for future programs were presented to stakeholders for their feedback. At the conclusion of the pilot, the evaluation indicated that the demonstration pilot was successful and met the objectives it set out to achieve. The project demonstrated innovative ways to use DERs as alternatives or deferent to traditional infrastructure. The demonstration's rules and contracts documentation have informed other Ontario pilots with different approaches and the economic value of DERs used as alternatives was found to be net-positive in the simulated scenarios evaluated.

For future considerations, the evaluation yielded the following recommendations:

- Enhance participant strategies
- Standardize and automate participant activities on a web-based platform
- Collect and analyze relevant data to drive continuous program evaluation and improvement
- Conduct local DER potential studies to inform planning decisions, and ensure sufficient DERs available
- Use established analytical methods to evaluate DERs and highlight their economic potential
- Incorporate DER performance metrics into acquisition processes to ensure reliable outcomes
- Establish a framework that includes incentives for performance and disincentives for non-performance
- Provide multi-year commitments to improve certainty and support participants in investing in DERs
- Simplify provision of grid services by streamlining rules and processes across distribution system operators and IESO opportunities