

INITIATIVES RELATED TO DISTRIBUTED ENERGY RESOURCES



ONTARIO ENERGY BOARD (OEB)

GOAL

To facilitate DER adoption and integration that enhances overall value to energy customers

FOCUS AREAS

Provide regulatory clarity by developing and/or amending OEB requirements, guidelines and utility incentives to reflect the presence of DERs

Framework for Energy Innovation: Distributed Resources & Utility Incentives

Facilitate the deployment and adoption of innovative and cost-effective solutions, including distributed resources, in ways that enhance value for energy consumers. Increase regulatory clarity in the treatment of innovative technologies and approaches.

DER Connections Review

Identify any barriers to the connection of DERs, and, where appropriate, standardize and improve the connection process. The review is focused on connection of electricity generation and storage facilities connected to the distribution system, either in front or behind the distributor's meter.

Regional Planning Process Review (RPPR)

Increase efficiency and effectiveness of regional planning process. The OEB's Regional Planning Process Advisory Group has been re-established to assess the current regional planning process and look for improvements to increase efficiency in planning across the different entities in the electricity sector.

CDM Guidelines

Update the CDM Guidelines to set out OEB guidance on the role of CDM for rate-regulated electricity distributors, including interaction with the IESO's 2021-2024 CDM Framework, and the wind-down of any CDM activities associated with the Conservation First Framework and the Interim Framework.

OEB/IESO Joint Targeted Call

The IESO Grid Innovation Fund is collaborating with the OEB's Innovation Sandbox to hold a joint targeted call to support research and demonstration projects that will test DER capabilities to provide services at both the wholesale market and distribution levels.

Results will be input into the DER Market Design Project and OEB's ongoing policy development efforts.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR (IESO)

GOAL

To maximize the value DERs can provide to Ontario's electricity system by addressing challenges and opportunities within the IESO's mandate

FOCUS AREAS

- *Non-Wires Alternatives (NWA)* – The IESO will implement the recommendations identified in the RPPR to support consideration of feasible NWA solutions to meet regional needs
- *Wholesale Market Integration* – The IESO will seek to expand competition by enhancing opportunities for DERs to compete to provide wholesale services
- *Transmission-Distribution (T-D) Coordination* – The IESO will work with others in the sector to ensure there is appropriate T-D coordination to deliver a reliable and efficient supply of energy to Ontarians

DER Market Design Project

This initiative will enhance opportunities for DERs to compete to provide wholesale services. The initial phase, the DER Market Vision Project, will identify foundational questions and propose initial recommendations that will establish the framework for future High Level Design, Detailed Design and implementation efforts.

T-D Coordination Demonstrations and Studies

The IESO is investigating T-D coordination frameworks and protocols to ensure that DERs can participate in the wholesale market and provide distribution-level services in a reliable manner. These efforts include the IESO York Region NWA Demonstration as well as other opportunities.

CDM Local Initiatives Program

As part of the 2021-2024 CDM Framework, local initiatives will be developed to deliver CDM savings in targeted areas of the province with identified system needs.

DER Potential Study

This study will identify the types and volumes of DERs that may emerge in Ontario over a ten-year timeframe, and the potential for these resources to provide grid services. The findings of the study will inform wholesale market or program design priorities to capture value from DERs.

RPPR NWA action items

This effort is aimed at implementing the regional planning process updates identified in the RPPR, including developing tools/strategies for defining a NWA need, determining the economic value of a NWA, and identifying potential acquisition methods for NWAs.

Energy Efficiency (EE) Auction Pilot

Pilot to test an auction-based mechanism for procuring EE and non-dispatchable load shifting projects to inform future consideration of enabling EE to compete to meet system needs.