

IESO Winter Briefing Demand Response Update



TRANSITION PERIOD

Building Experience and Learnings about Demand Response

Present

- DR3 with new market triggers
- ICI with expanded Class A eligibility (ongoing)
- Demand Response Auction Stakeholder Engagement (ongoing)

2015

- Q1 - DR Pilot Project RFP & timeline to be posted
- Q1 - High level design of DR Auction to be finalized
- Q2 - DR3 & Transitional Market Rules
- Q3 - Qualification process starts for the first DR Auction

2016+

- Delivery from first DR Auction
- DR Auctions (Ongoing)

- DR3: Dispatch now based on \$200/MWH price trigger
- Better alignment of DR3 with times of system need
- Includes local & emergency activations
- Transitional rules will allow DR3 to continue until the first DR auction delivery period
- Activations to be published on the IESO website
 - No DR3 activations this summer
 - Email subscription list to be notified of all DR3 activations at www.ieso.ca/subscribe



- Pilot Programs seek to:
 - Expand opportunities for DR to participate in the market
 - Realize greater value and economic use of DR resources
 - Examples: Unit Commitment, Load Following
 - RFP scheduled to be released in early 2015
 - For more information, please visit www.ieso.ca/drwg

- New proposed market for Demand Response participation
 - Provides a competitive platform that can select from a wide selection of DR resources
 - Allows for the entry of new, cost-efficient providers
 - Provides the opportunity for innovative technologies to enter the market
 - Provides flexibility to respond to changing conditions
 - Provides an opportunity to create an additional revenue stream for your organization by curtailing load or unused generation capacity

- Will replace expiring OPA DR contracts
- DR providers submit their capacity offers
- Offers are stacked from lowest to highest cost and cleared against a demand curve representative of the target capacity need
- Stakeholders have provided feedback into the design elements and will continue to do so

Demand Response Timeline

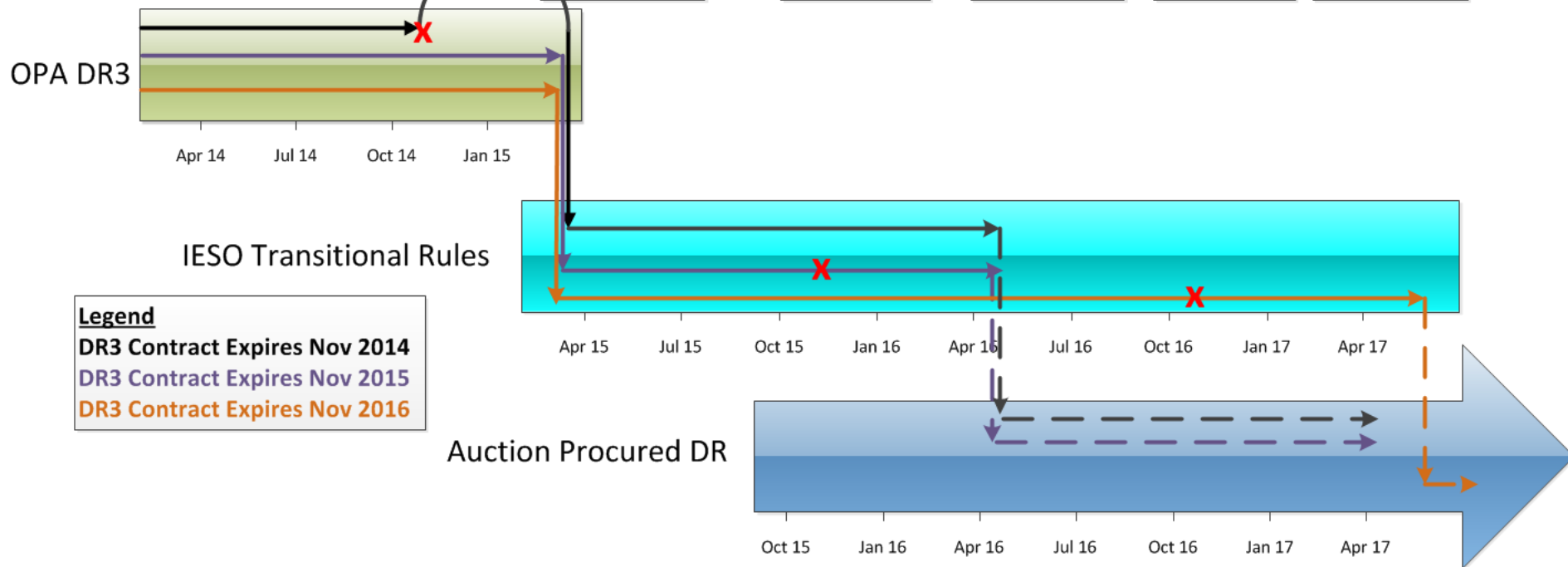
Mar 2015
IESO
Transitional
Rules Go Live

Q4 2015 –
Q1 2016
1st DR
Auction

May 2016
Delivery Date
of 1st DR
Auction

Q4 2016 –
Q1 2017
2nd DR
Auction

May 2017
Delivery Date
of 2nd DR
Auction



- Stakeholder Engagement:
 - Demand Response Auction
 - Capacity Auction
- For more information, please visit www.ieso.ca



- Demand Response Brochure
- ICI/GA Handouts
- *Managing Your Electricity Costs: A Guide for Business*
- *Electricity Insider* Newsletter
- Weekly Bulletin
- Website: www.ieso.ca
- Questions?
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