

Memorandum

To: Stakeholder Advisory Committee

From: Terry Young, VP Conservation and Corporate Relations

Date: January 27, 2016

Subject: *peaksaverPlus*® Program

Input item

The IESO is launching a stakeholder engagement on the future role of the *peaksaverPLUS*® Residential Demand Response Program. The IESO will seek input from stakeholders in order to establish next steps for the program in the short and medium term, as the IESO prepares to transition residential demand response to the Demand Response Capacity Auction process.

Background

Peaksaver was developed by Toronto Hydro in 2005 and has evolved to a province-wide program offered by over 40 local distribution companies funded through the 2011-2014 conservation framework. The program was designed to be a “non-intrusive” residential demand response program aimed at reducing electricity consumption of participants’ enrolled appliances (mainly air conditioners) on the hottest days of the year. During events, installed load control devices receive radio signals to cycle power of key appliances including central air conditioners, electric water heaters, and/or swimming pool pumps. The program has enjoyed success with residential homeowners with over 300,000 load control devices installed comprising over 100 MW of load capacity.

In March of 2014, a Minister’s direction sought a goal of evolving all demand response (DR) to play a greater role in the IESO-administered market (potentially including Peaksaver) as a capacity resource. The issue for consideration in this engagement is how best to manage and evolve the program given the longer term objective of participation in the DR Auction process. This discussion will need to consider several issues including treatment of existing assets, addressing

aging of the current offer versus new technologies now available, cost-effectiveness and long-term funding questions.

Proposal

The IESO is proposing over the short term to move the program to 'maintenance mode' which consists of maintaining access to the existing asset base and addressing existing inventory issues. The IESO may also consider some potential enhancements including the integration of new technology options during this time. Over the medium term the IESO will review market rules and address any barriers preventing residential load from participating in the DR Auction.

Next Steps

The presentation slides consider these issues further along with some discussion questions for input by the Stakeholder Advisory Committee. The first meeting for this engagement took place on January 27 where the IESO presented these issues for discussion with stakeholders. Consolidated feedback and the IESO response will be made available by March 4, 2016.