

IESO Responses to Questions from April 16 TP meeting

1. Ms. Griffiths asked how many other participants would be covered under the Resolute proposed rule that aren't currently able to participate?

In the DR2, DR3, and CBDR programs, only five participants were directly connected to the IESO-controlled grid (ICG) while all others were distribution-connected and served by aggregators. Of these five directly connected facilities, two have deregistered from the DR program prior to CBDR and the remaining three non-dispatchable load facilities continue to participate in the demand response auction (DRA) as HDR resources. Resolute is currently the only non-dispatchable load facility with behind-the-meter generation who participated in previous DR programs and is participating in the DRA.

However, a consequence of the proposed market rules change is that load facilities with behind-the-meter generators could begin to avail themselves of new ways to participate in the DRA, resulting in the issues of consistency, reliability and efficiency, as outlined by the IESO in its April 2nd submissions.

For example, participants with behind-the-meter generators could claim higher DR capacity in the DRA (and receive correspondingly higher availability payments) without any actual commensurate increase in demand response reduction capability at the ICG. The IESO does not support this approach because ratepayers would be paying for something they are not getting if a DR resource with a capacity obligation to deliver DR reductions at the ICG only provided a fraction of that response to the ICG.

The IESO is aware that there are other market participants who have behind-the-meter generation facilities. Some of these participants may elect to offer in the DRA differently or register their resources differently, in order to benefit from Resolute's proposed market rules change. The IESO cannot forecast the number of such participants, but objects to the design changes entailed by the amendment, for the reasons stated above.

2. Mr. Bieler asked whether any other market participants had failed their activations, and whether this was the first of what could become a domino effect if other market participants were called to activate a demand response and failed.

The IESO has been relying on test activations to verify whether HDR resources can deliver their respective capacity obligations when called upon by the IESO. Other market participants have failed their test activations (from an April 25th DRWG presentation, about 58% of hourly DR resources failed to successfully deliver load reduction up to their capacity obligation and follow IESO's dispatch instructions). However, as indicated by the response to question 1 above, Resolute is the only HDR resource that has failed a DR test activation and disputes that failure based on their misunderstanding of the DRA rules around metering configurations.