

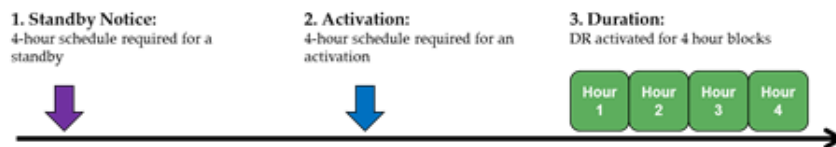
# Changes to Hourly Demand Response (HDR) Participation Framework

The IESO is working with stakeholders to increase the utilization of Hourly Demand Response (HDR) resources to maximize their value to the system. Making changes to the minimum dispatch duration and moving to a price-based trigger for standby will improve the ability of HDR resources to provide capacity at times of system need. Below is a summary of the HDR program updates that are targeted to take effect beginning with the next commitment period, which starts on May 1, 2019:

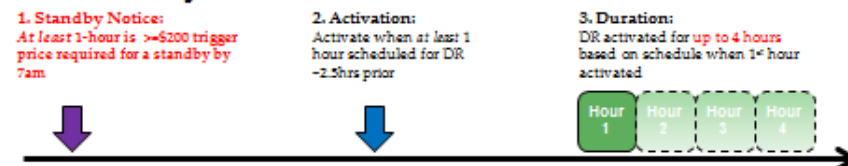
## Changes to the standby and activation protocols, including:

- Standby notification will be issued for a resource when the pre-dispatch shadow price is equal to or greater than \$200 for at least 1 hour during the availability window prior to 7am of the dispatch day - *previously a 4 hour schedule based on the shadow price being equal to or greater than the participant's bid price.*
- The price-based trigger for standby notification will be reduced to \$100 on May 1, 2020.
- HDR resources may be activated for 1 *up to* 4 consecutive hours during the availability window - *previously for only 4 consecutive hours*

### Current HDR Activation Protocol



### Effective May 1 2019



*As specified in Market Rule: Chapter 7, Section 19.4.4 & 19.4.4 and Market Manual 4.3 section 7.2 & Market Manual 9.3 section 4.11.2*

**In addition to improving the utilization of HDR resources, other changes will take effect starting on May 1, 2019:**

- 1) Clarification to activation timeline to provide HDR participants more certainty on activation. Under this change, if the HDR resource does not receive an activation notice 2 hours prior to the dispatch hour, then no activation notice will be issued for that hour.

*As specified in Market Rule: Chapter 7, Section 19.2.4 & 19.4.4 and Market Manual 4.3 section 7.2 & Market Manual 9.3 section 4.11.2*

- 2) HDR Test Activation Protocol will be updated to emulate a real-time activation and will further enable the IESO to gauge a DRMP's ability to respond to real events. The updates will include the following:
  - Removal of day ahead telephone notification
  - Standby notification will be issued day ahead
  - The IESO will issue an Advisory Notice in advance of the standby notification (to confirm test activation). Advisory notices are important updates on system conditions and IESO actions that are published by the IESO on its website<sup>1</sup> to inform Market Participants

Change that has been completed and is now effective (since May 2018):

- 1) HDR has been added as a resource to the Emergency Operating State Control Actions (EOSCA). EOSCA are the control actions available to the IESO leading up to and during an emergency operating state. In using the HDR resources as a control action, the IESO will adhere to the timelines associated with placing the resources on standby and activating the resources.

IESO may issue a Standby notice to HDR resources as a control action prior to issuing energy emergency alert (EEA). In the event that an EEA is issued, the IESO may choose to activate HDR resources that were previously put on Standby, whether it was on standby from a control action or from an in-market trigger.

*As specified in Market Rule: Chapter 7, Section 19.2.4 and Market Manual 7.1, Appendix B1*

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<sup>1</sup> <http://www.ieso.ca/Sector-Participants/RSS-Feeds/Day-0-Advisory-Notices-Summary>