

# 2017 DR WORKPLAN

Demand Response Working Group

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January 31, 2017

# Objective

- To work with stakeholders on finalizing the criteria to evaluate priority items to be included in the 2017 DR workplan
- The workplan will define the DR-related initiatives the DRWG and the IESO will focus on in 2017
  - Can include both physical changes to rules/systems/requirements as well as identifying areas and issues for further discussion and/or study
  - Each initiative should have clearly stated objectives, responsibilities and timeline for delivery
  - The IESO is willing to participate in and facilitate discussions on items that may not be the direct responsibility of the IESO

# 2017 DR Workplan

- A framework is required to assess each stakeholder priority item
  - The IESO has received ~20 priority items from stakeholders since the Nov 30 DRWG planning session
- The IESO's preference is to have a transparent process and work with stakeholders on the definition of evaluation criteria for the workplan
  - Balance the need to efficiently short-list priority items so that the DRWG can get to work on evolving DR; with
  - Unwieldy for IESO to perform an in-depth analysis on each individual item
- Aim to finalize workplan by end Q1 at the latest

# Agreed Goals for Demand Response

## Develop DR to ensure it can compete with traditional sources of supply

- Lower cost through competition
- Reduced emissions
- Broader economic benefits to Ontario businesses
- Capable of providing energy, capacity and ancillary services

## Develop an auction platform as an alternative to traditional procurements

- Lower cost relative to alternative procurement means
- Provide flexibility to respond to changing system conditions
- Showcase and test auction mechanism in the Ontario market
- Provide a clear, long-term path to the sector

- Initiatives included in the DR workplan should be consistent with these higher level goals and objectives

**Discussion Question:** *Do DRWG members agree with the stated goals for DR and is anything missing?*

# Proposed Evaluation Criteria

- Although a full cost-benefit analysis of each item is not feasible or practical the IESO believes the following criteria could be used to effectively assess each priority item:
  1. Compatibility with goals for DR
  2. Impact on Auction Performance (assess likely benefits)
    - e.g. materiality, competition, efficiency
  3. Ease to implement (assess likely costs)
    - e.g. time, effort, cost, IESO internal constraints

**Discussion Question:** *What do stakeholders think about the suggested criteria and is there anything missing?*

# Determining the Workplan

- Items where there is common agreement and satisfy the agreed upon criteria would logically be given priority
  - The DRWG and IESO can work together on designing and implementing these initiatives
- The remaining items will be logged and the IESO will work with stakeholders to determine how best to proceed, e.g. some items might require minimal resources and could be included in the 2017 plan, others might require additional study or could be flagged for future discussion at the DRWG.

*The IESO requests that stakeholders review the full list of potential items and be prepared to speak to them at the January 31 meeting*

# Proposed Workplan Evaluation Process



# Next Steps

- Please assess your priority items according to the criteria discussed at today's meeting and provide feedback as best you can to the IESO by Feb 15, 2017
  - Send responses to [engagement@ieso.ca](mailto:engagement@ieso.ca)
- The IESO will review stakeholder feedback and publish a proposed workplan for stakeholder comment at the next DRWG meeting in late February / early March