

DR Capacity Obligation Transfers

Demand Response Working Group

January 31, 2017

Objective

- This presentation provides an overview of DR capacity obligation transfers and describes the capacity transfer process

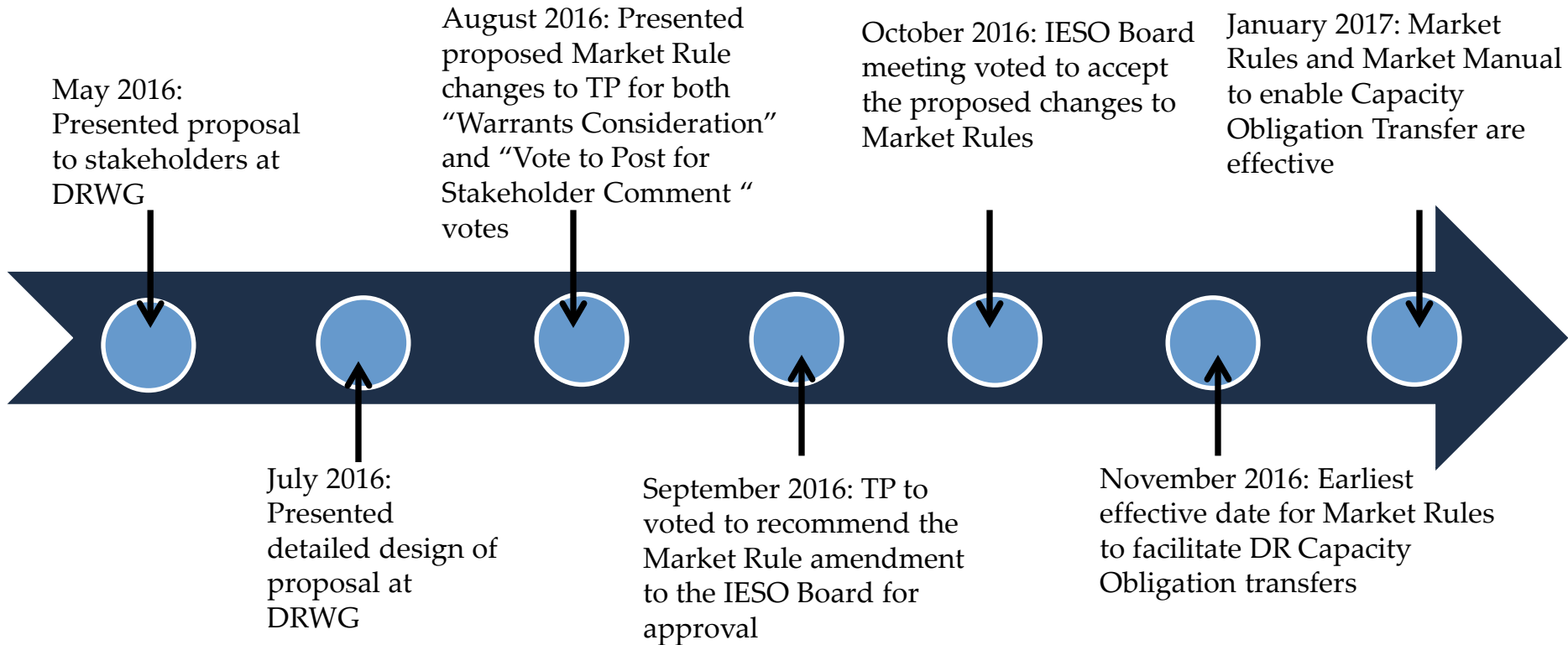
DR Capacity Obligation Transfer

- DR capacity obligation transfers have been enabled starting January 11, 2017
- Allows a DRAP to transfer all or a portion of its demand response capacity obligation to another DRAP who has qualified capacity to offer into the demand response auction

Development

- IESO received stakeholder feedback from the Demand Response Stakeholder engagement and Demand Response Working Group that DR suppliers would benefit from a mechanism to manage their DR portfolios
- Participant benefit:
 - An opportunity to mitigate risk from unforeseen circumstances (e.g. large contributor loss) if a qualified transferee can be found
- IESO benefit:
 - Increased likelihood that the DR Capacity procured through the auction will be available for delivery into the energy market

Development Timeline



Conditions for Transfer

A DRAP may transfer all or part of their DR Capacity Obligation to another DRAP

Conditions:

- Transferee may only receive a Capacity Obligation up to the quantity of qualified capacity for that Commitment Period for that zone/type that they did not clear
- Transferee must satisfy deposit/Prudential requirements
- Transfer must:
 - **be initiated prior** to the start of the Capacity Obligation's Commitment Period
 - be for capacity that is of the same type (physical/virtual) and zone
 - leave both transferor and transferee with either 0MW or at least 1MW in DR Capacity Obligation to allow for energy market participation

Transfer Process

- The [DR Post-Auction Summary Report](#) displays the DRAPs qualified for transfers
- Market Manual [12](#) has been updated to facilitate DR Capacity Obligation transfers
 - Section 4.3.1: Updates to DR Auction Deposit rules
 - Section 5.3: Updates to show Qualified Capacities for DRAPs
 - Section 9: Describes the capacity obligation transfer process

Next Steps

- For more information about DR Capacity Obligation transfers, please contact the IESO at customer.relations@ieso.ca