

UPDATE TO EVALUATION CRITERIA FOR DR PRIORITIES

Demand Response Working Group

February 7, 2017

Objective

- This presentation describes the evaluation criteria agreed upon with DRWG members to determine the 2017 DR work plan

Agreed Goals for Demand Response

Updated January 31, 2017

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

- Lower cost through competition **by increasing participation and expanding opportunities for new technologies and capabilities**
- Reduced emissions
- Broader economic benefits to Ontario businesses **and residences**
- 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

- Higher level goals and objectives for DR, updated to reflect feedback from the Jan 31 DRWG

Evaluation Criteria

Updated January 31, 2017

- 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 **and DR resource** performance (assess likely benefits)
 - e.g. materiality, competition, efficiency
 3. Ease to implement (assess likely costs)
 - e.g. time, effort, cost, IESO internal constraints
 - 4. Timeline/Urgency for implementation**
- Evaluation criteria has been agreed upon with DRWG members at the January 31, 2017 meeting

Summary of Stakeholder Priorities

Category	Item
External to IESO	Easy access to residential measurement data
	Commitment to DR Auction capacity in LTEP
Broader Market	Reduce minimum energy market resource size
	Peaksaver transition
	Reciprocal settlement terms for IESO and MPs
IESO and DRWG	Preparation for future Incremental Capacity Auction
	Allow capacity transfers within commitment period and between zones
	Eliminate virtual zonal DR limits
	Longer commitment periods for some DR
	Varying DR Capacity Obligations
	More efficient contributor management data entry process for aggregated resources
	Automated measurement data submission capability
	Less stringent ROI requirements
	Allow dispatchable loads to be contributors in HDR resources
	Automated notification for standby and activation notices
	Maintain standby notice
	Eliminate or shorten standby notice
	More flexible dispatch duration
	Utilization payment
	Improved test dispatch structure
	Review effectiveness of historical 15/20 baseline for HDR resources
Create new peak DR resource for weather-sensitive loads	

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 February 15, 2017
 - Send responses to engagement@ieso.ca
- The IESO will review stakeholder feedback and facilitate a stakeholder discussion to refine the work plan at the next DRWG meeting on March 8, 2017