

2017 DR WORK PLAN PROPOSAL

Demand Response Working Group

April 6, 2017

Objective

- To present the proposed 2017 DR work plan for discussion with the Demand Response Working Group

Introduction

- At the last DRWG session on March 6, the working group categorized each of the 22 priority items into:
 1. Items identified as priority for the 2017 DR Auction
 2. Items flagged for additional analysis/exploration
 3. Items flagged as can wait for future work plan
- The proposed work plan consists of a list of priority initiatives for the DRWG to undertake in 2017, either to propose changes or have further discussion (which may lead to future changes)
 - Since November 2016, the IESO has been working with stakeholders to determine the items to be included in the 2017 DR work plan
 - The proposed work plan takes into account this stakeholder feedback as well as available IESO resources

Proposed 2017 Work Plan

- Items included in work plan reflect the highest priority items as decided by the working group in March
- Items not on the 2017 work plan can be reviewed for future work plans

Proposed 2017 DR Work Plan	
Priority Items (to be implemented)	Peaksaver Transition
	Improved Utilization of DR
	Test Dispatch Structure
Items for Further Discussion	Longer Commitment Periods
	Varying DR Capacity Obligations/New Peak Resource
	DLs as contributors to HDR resources
	Automated Standby/Activation Notices
	Utilization Payments
Wait List	Record of Installation Review

Work Plan Items

Priority

Peaksaver Transition

- There are no plans to continue to fund Peaksaver beyond 2017
- Potential for competitive DR capacity (>100 MW) in the auction
- Will commence discussions of options with LDCs and other stakeholders to transition these resources to wholesale market
- Will finalize plans for transition in Q3, targeting to begin implementation by Q4/Q1 2018 for Summer 2018 commitment period

Work Plan Items

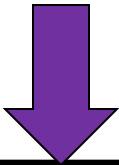
Priority

Improving Utilization of Demand Response

- Combined priority items related to HDR utilization (standby notice, activation and dispatch) into one priority item
- Can be achieved by modifying different parameters
 - Will likely be a combination of parameters, focused on increasing likelihood of dispatch

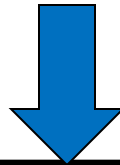
1. Standby Notice:

- Review criteria to issue standby



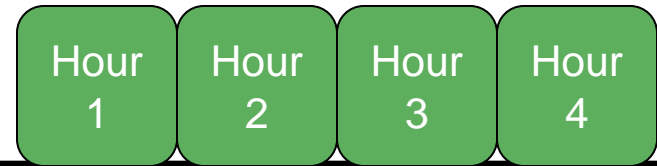
2. Activation:

- Review activation criteria



3. Duration:

- Review duration of dispatch period



- Targeting implementation for Summer 2018
 - Will begin discussing options at today's DRWG
 - Aiming for June TP to begin Market Rule amendment process

Work Plan Items

Priority

Greater Clarity in Test Dispatch Structure for Hourly DR resources

- Participants have advised the testing procedure could be improved through greater clarity and documentation, closely mimicking in-market dispatch
- Testing process and procedures will be on the agenda at an upcoming DRWG meeting

Work Plan Items

For Further Discussion

Longer commitment periods for some DR capacity

- Some participants are interested in longer commitment periods than the current 6-month commitment, others are not in favour

Varying DR Capacity Obligations / New peaking DR resource

- Some participants have asked for greater flexibility from a fixed capacity obligation to be able to vary their obligation from month to month to be higher, particularly in summer months, or lower within a commitment period

Dispatchable Loads in Aggregated Resources

- Last tranche of CBDR capacity expires and will be competing in the December 2017 auction

Work Plan Items

For Further Discussion

Automated “Push” Standby and Activation Notices

- Can have further discussion with IESO staff on IT capabilities and needs of participants in Q2/Q3

Utilization Payments

- Some participants advise that a utilization payment will improve the value of DR by providing an incentive to activate DR in the energy market, which may reduce energy bid prices

Work Plan Items

Wait List

Review of Record of Installation Requirements

- Some participants have asked for a review of administrative requirements for meter auditability and measurement and verification required to sign up certain contributors because they feel they are overly burdensome for smaller C&I contributors

Items not on 2017 Work Plan

- Although the DRWG decided not to include some items from the 2017 DR work plan, they can be considered for future work plans
- Some items may also be added to future DRWG meetings as informational items if there have been new developments
 - e.g. updates on access to residential measurement data

Items not on 2017 DR Work Plan

Easy access to residential measurement data

Commitment to DR Auction capacity in LTEP

Reduce minimum energy market resource size

Reciprocal settlement terms for IESO and MPs

Allow capacity transfers within commitment period and between zones

Eliminate virtual zonal DR limits

More efficient contributor management data entry process for aggregated resources

Automated measurement data submission capability

Review effectiveness of historical 15/20 baseline for HDR resources

Next Steps

- The IESO believes the proposed work plan is an ambitious list of initiatives that selected the highest priority items from stakeholder discussions. Feedback can be provided to engagement@ieso.ca
- At the next DRWG meeting, the topics for future meetings will be shared to show how the work plan items will be addressed
- The IESO looks forward to further discussion of priority items beginning today (on high priority, consensus items)