

April 24, 2017

Independent Electricity System Operator
Stakeholder Engagement

via email to engagement@ieso.ca

Dear IESO Stakeholder Engagement:

Re: Comments of Alectra Utilities on the Future of Peaksaver

Alectra Utilities (“Alectra”) thanks the IESO for convening the Demand Response Working Group (“DRWG”) and offers the follow comments on the material presented at the DRWG’s meeting on April 6, 2017.

With respect to the future of Peaksaver, Alectra agrees that Peaksaver resources should be able to be bid into the market for the 2018-2019 commitment period. This is the designated long term path for Peaksaver and there is no compelling reason to delay. It creates an additional incentive for LDCs to more actively manage this resource which has already been procured, and which will continue to be eroded over time if actions aren’t taken to nurture it. This approach can contribute to meeting provincial demand response targets in a cost-effective manner. It is also reasonable for LDCs to take on the responsibility of managing this resource since they have the existing relationships with their customers for Peaksaver/residential demand response service.

To support the successful participation of Peaksaver resources in the 2018-2019 commitment period and beyond, Alectra makes the following points:

- LDCs should be able to use both Peaksaver and non-Peaksaver resources in the same bid – not segregated, as residential resources are segregated from commercial ones;
- The rules for transitioning should be clarified as soon as possible in order to enable LDCs to accurately gauge the state of this resource in advance of the December, 2017 auction;
- Alectra agrees that customers need to consent to continued participation in residential demand response and for their resource represented by their contribution to participate; however, this should not have to be a new hard copy form signed by the customer, as this creates an unnecessary burden on retention; an electronic acknowledgement should be sufficient;
- LDCs should be able to offer their Peaksaver resources to the auction either by themselves, or through another party, including LDC affiliates, who can bid in

their aggregated resources on their behalf; any rules put into place to govern how third parties can bid in the Peaksaver resources of an LDC should be made clear as soon as possible; the role of the existing residential demand response aggregator going forward should also be clarified; and

- LDCs should be allowed to set the strategy for achieving demand response with their customers, with no requirement for set cycling strategies, temperature offsets, etc.; likewise, there should be no restriction on, or requirement for, customers participating in other CDM or pricing initiatives, aside from following the rules set by the IESO for managing the DR auction and the methodology for determining contribution.

Alectra considers it likely that further refinement of the rules governing the role of Peaksaver resources and the methodology for residential demand response resources to participate in the DR auction will be needed as the sector gains more experience with this resource, and so it looks forward to continued collaboration with the IESO and stakeholders through the DRWG.

Sincerely,

Original signed by

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Director, Planning and Compliance