

Comments to:
Independent Electricity System Operator
(IESO)

Stakeholder Engagement for Demand Response
Auction on May 11, 2017

Submission by

City of Toronto

IESO Presentation “Notification and Activation Of Hourly DR Resources”

IESO Slide 11: Standby Notice Criteria – Options to Explore

Comment – The City supports the IESO goal to: *“Increase the economic dispatch of HDR resources to meet the needs of a changing electricity system”*

Recommendation: Standby Notice - **Option 1:** “Treat every business day in the commitment period as a “standby” day”. Resources would be required to maintain their bids until the 2.5 hour activation window passed for a given hour”

Comment: Resources may be able to develop a private standby notification using their hourly bid price or the \$100/ MWh Price Trigger as an indicator for activations

IESO Slide 16: Activation Length Options to Explore:

Recommendation: Activation Notice: **Option 1:** Maintain the 4 hour block dispatch to increase the likelihood of dispatch but maintain the operational expectations of DR resources.

Rational 1: Maintaining the 4 hour block will enable a facility to implement dispatch schedules and participate without increased complications associated with the In-day adjustment.

Rational 2: Maintaining a four hour dispatch provides resiliency to the system ensuring that resources are capable of longer dispatches.

IESO Slide 18: Combinations of Options:

Standby Notice Criteria	Activation Notice Criteria	Activation Length
Option 1	Option A	Option 1

IESO Presentation: Utilization Payment

Scope Recommendation: The City recommends that the scope shall include an analysis of how a Utilization Payment could support the IESO Goal to *“Develop DR and ensure it can compete with traditional sources of supply”*.

Specifically the consultant should analyze how a Utilization payment would:

- A) Mitigate against the risk of DRMPs specifying very high prices in order to avoid being scheduled and put on standby
- B) Increase the economic dispatch of HDR resources to meet the needs of a changing electricity system