

May 20, 2017
IESO Stakeholder Engagement
Submitted via email

Re: Comments on May 11, 2017 Presentations

Dear IESO Stakeholder Engagement,

Thank you for giving us the opportunity to comment on the most recent DRWG recommendations. Please consider these our official comments on these issues.

1. The IESO is making progress on some competitive issues regarding peaksaver devices, but some concerns remain.

We appreciate the various positions and needs that the IESO must weigh when considering if and how the LDCs (or the incumbent provider) bid peaksaver accounts. We also appreciate that the IESO is trying to create a competitive, technology neutral market. We support their determination that the LDCs (or the incumbent provider) must re-enroll peaksaver customers and that they must share anonymized data on participation and performance by LDC and zone.

We remain concerned, however, that LDCs (and the incumbent provider) still maintain competitive advantage in their ability to enroll customers with these devices. To remedy this, we suggest that LDCs (and potentially the IESO) include on their website all available programs including third-party DR programs. This will ensure competition and the lowest cost option for ratepayers.

2. We support the IESO's proposals to increase their ability to dispatch DR by changing the standby notice protocols. We support both proposals (1) and (2). The standby notice is not important for residential customer aggregators since we do not require much preparation for load reduction.
3. We support the IESO's proposal to change the activation notice to a minimum of 2 hours before the event from a minimum of 2.5 hours before the event. However, this notice should not be shortened any further.

4. We support changing the activation notice criteria and activation length to encourage more frequent DR dispatch and align with system needs.

The IESO's proposal to change the activation notice so that it is triggered when anywhere between 1-4 hours of DR is needed versus an entire four-hour block will certainly increase the number of DR events triggered, and we support that change.

The IESO's proposal to change activation length so that it is "up to 4 hours" instead of a sustained four-hour event best utilizes the value of DR in that it exploits the resource's ability to be flexible. In addition, residential resources are particularly sensitive to comfort, and it is much less likely that a customer will notice or experience discomfort during a short event.

We note that it would not make sense to change the activation notice criteria and not the activation length. If DR is called based on a need for one hour, it should only be dispatched for one hour. Operationally, DR should be providing necessary deficiencies in capacity rather than creating more operational complexity to accommodate the set four-hour block. There is no reason to dispatch DR when it is not needed. We see these two proposed changes as being inextricably linked.

5. Lastly, we support the appointment of an independent consultant to consider a variety of viewpoints for DR utilization payments. DR should be paid for the energy that has been reduced. We look forward to providing feedback on how DR could be compensated for its reduction in energy usage.

Thank you again for allowing us to comment on these issues.

Sincerely,

Erika Diamond, VP of Energy Markets at EnergyHub
Robert King, North American Policy Advisor at Whisker Labs