

July 31, 2017

Re: FEEBACK ON JULY 18, 2017 DRWG WEBINAR

Enershift would like to offer feedback on the issues presented for comment during the webinar on July 18.

A. PEAKSAVER TRANSITION AND DR AUCTION TARGET

i. 3-year Phase-in to Auction Capacity

Enershift favours a phasing-in of the peaksaver capacity to the broader DR market over multiple years rather than injecting the full 150 MW into the market in one block. This is a reasonable compromise that should allow the sector to either transition peaksaver devices into the market where viable, while limiting possible unintended pricing effects.

ii. Estimate of Peaksaver Capacity for Summer 2018 Delivery

It will be difficult to estimate the conversion rate of peaksaver devices to DR Auction residential assets due to several factors:

- It is not known the extent to which LDCs may have agreements that might persist after peaksaver ends, or if they have existing plans for devices after peaksaver;
- If the peaksaver infrastructure (i.e. control software, databases and paging) is discontinued prior to the next auction, the ability of new aggregators to mass reprogram devices over the air will be lost permanently, necessitating site visits to reconfigure devices. If a site visit with physical access to every individual device is required, we estimate an extremely low conversion rate due to the relatively high cost of re-acquisition versus the potential market revenue. Assuming this is the case, the conversion rate of devices could be close to zero and the bulk of the existing installed peaksaver assets will become stranded and lost.

B. IMPROVED UTILIZATION OF DR

Enershift supports the proposed measures to in support of increased utilization of DR assets. These changes will require a broad education effort to contributors, as these changes represent a significant departure from the dispatch behaviour they have come to expect over the last 10 years. As part of that effort, we look forward to greater operational detail in the coming sessions that will clearly illustrate:

- **Activation Notice** – when activation is scheduled, and if/how changes in forecast could affect contiguous hours.
- **Activation Length** – how and when the final number of dispatch hours is fixed.

Sincerely,

Enershift