

# 2018 DR WORK PLAN

Demand Response Working Group

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November 16, 2017

# Objective

- To initiate discussions with the DRWG on setting the 2018 DR work plan

# DR Work Plan

- The 2018 DRWG work plan will consist of a list of initiatives that stakeholders and the IESO will work on together through the DRWG to propose changes on or have further discussion, which may lead to changes
  - Can include both physical changes to rules/systems/requirements as well as identifying areas and issues for further discussion and/or study
  - The IESO is willing to participate in and facilitate discussions on items that may not be the direct responsibility of the IESO
    - eg Green Button update from the Ministry of Energy on today's agenda
- Aim to finalize work plan by end of Q1 2018 at the latest

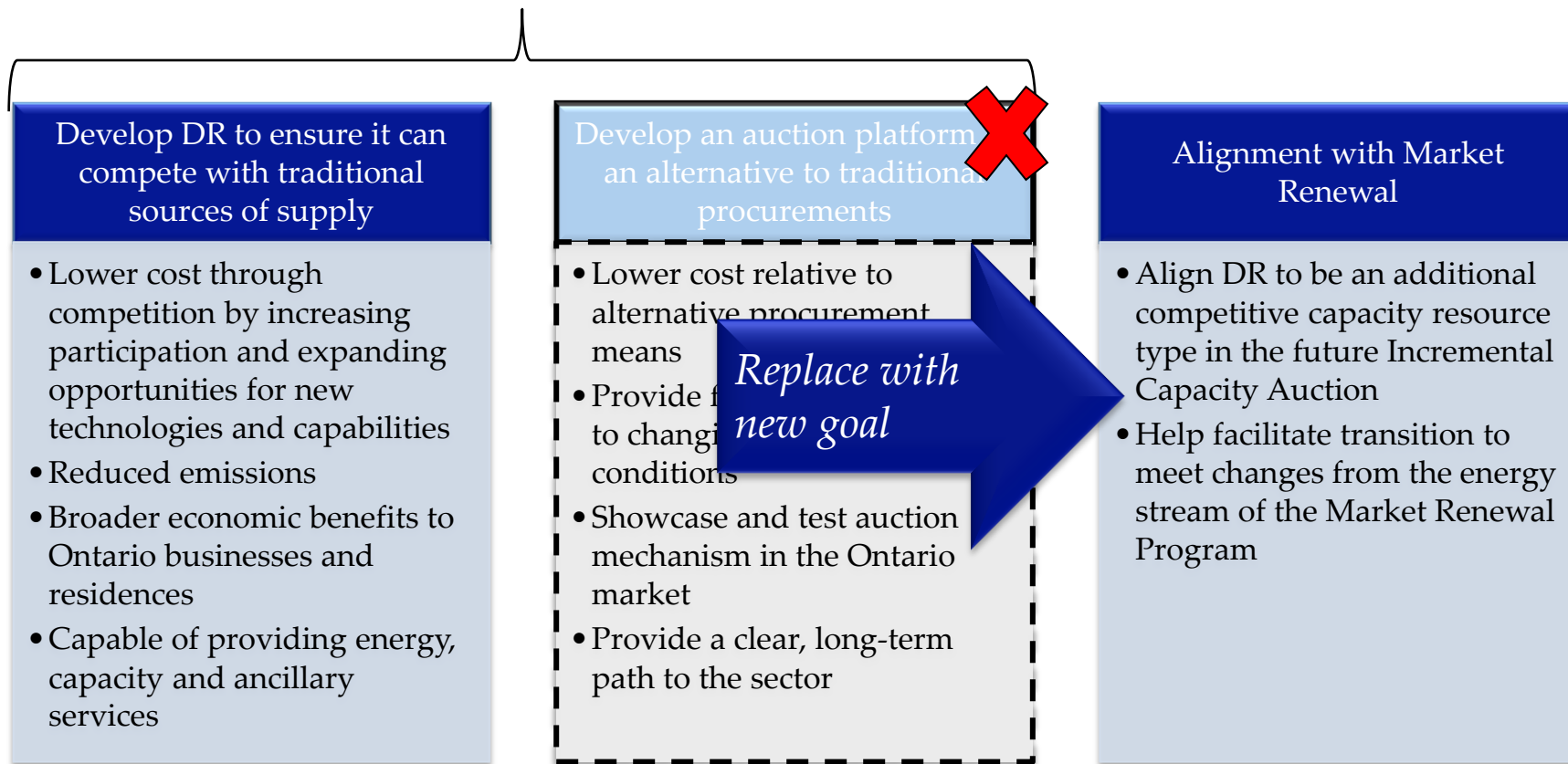
# Purpose of DR Work Plan

- The IESO receives substantial feedback from stakeholders on suggested changes on a wide variety of DR issues
- To manage expectations and workload, the IESO has collaborated with stakeholders to define a work plan that works towards meeting the goals for demand response



# Goals for Demand Response

2017 Goals



*The IESO proposes to replace the goal to “Develop the Auction Platform” with “Alignment with Market Renewal”*

# Setting the DR Work Plan

- A framework is required to assess each stakeholder priority item
  - Balance the need to efficiently short-list priority items so that the DRWG can get to work on evolving DR; with
  - Unwieldy for IESO to perform an in-depth analysis on each individual item
- Evaluation criteria has been agreed upon with DRWG members at the January 31, 2017 meeting
  1. Compatibility with goals for DR
  2. Electricity market benefits
    - e.g. materiality, competition, efficiency, broader market benefits
  3. Ease to implement (assess likely costs)
    - e.g. time, effort, cost, IESO internal constraints
  4. Timeline/Urgency for implementation

The IESO believes this criteria should be maintained for 2018

# 2017 DR Work Plan

- Items included in the 2017 DR work plan reflect the highest priority items as decided by the working group in March 2017

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

# Work Plan Items – *in Progress*

## *Improved Utilization of HDR Resources*

- The IESO is committed to increasing utilization of HDR resources
- Improving HDR scheduling flexibility increases opportunities for HDR to be utilized during times of system need
- The IESO will continue to work with stakeholders on this work plan item



# Work Plan Items – *in Progress*

## *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
- The IESO has committed to explore the merits of Utilization Payments by engaging an independent consultant. Navigant will put forth a discussion paper on the merits of DR utilization payments to facilitate discussion on the topic at the DRWG

## *Greater clarity in test dispatch structure for HDR resources*

- Participants have advised the testing procedure could be improved through greater clarity and documentation, closely mimicking in-market dispatch
- HDR testing is an agenda item at the November 16 DRWG meeting

# Work Plan Items – *Completed*

## *Peaksaver Transition*

- It was the goal of the IESO to facilitate the participation of *peaksaver* resources in the DR Auction after the termination of the program, while reducing barriers to their participation in the energy market
- Residential DR is enabled to participate in the energy market as an HDR resource
  - Changes to measurement & verification and administrative requirements were made to facilitate residential participation
- The IESO will transition *peaksaver* capacity to auction by modifying target capacity over three years starting in the 2017 DR Auction

# Work Plan Items – *Completed*

## *Automated “Push” Standby and Activation Notices*

- The IESO provided a presentation of existing IT capabilities of IESO systems at the September 12 DRWG meeting
- IESO systems do allow the flexibility for participants to build their own custom solutions to meet their needs
- For more information on IESO participant interfaces, please see:  
<http://www.ieso.ca/en/sector-participants/technical-interfaces>
- Questions can be sent to IESO Customer relations:  
[customer.relations@ieso.ca](mailto:customer.relations@ieso.ca)

# Work Plan Items – *Not Addressed in 2017*

## *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
- *Note: commitment periods will be a discussion topic at the upcoming December 4<sup>th</sup> Incremental Capacity Auction meeting*

## *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

# Work Plan Items – *Not Addressed in 2017*

## *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

## *Dispatchable Loads in Aggregated Resources*

- Modify IESO systems to allow dispatchable loads to participate simultaneously as an energy market resource and as a contributor to an energy market resource
- Last tranche of CBDR capacity expires and will be competing in the December 2017 auction

# DR Work Plan

For the 2018 DR work plan, the IESO proposes:

1. To maintain the work plan items currently underway on the 2018 work plan
2. Items from the 2017 work plan that have not yet been discussed will be reviewed by the DRWG against new priority items put forth by the working group

*Does the working group agree with the IESO's proposal?*

Proposed 2018 DR Work Plan	
Items Underway (Maintain)	Improved Utilization of DR
	Test Dispatch Structure
	Utilization Payments
2017 Items not yet Discussed (to be re-evaluated against new items)	Longer Commitment Periods
	Varying DR Capacity Obligations/New Peak Resource
	DLs as contributors to HDR resources
	Record of Installation Review
New Items Identified by DRWG members for 2018	To be put forward by working group members

# 2018 DR Work Plan

- At the next in-person DRWG meeting, the IESO proposes to engage in a discussion and evaluation session to determine additional priority items for the working group to discuss
- Stakeholders can submit written feedback as well as make presentations to the working group to share priority items and to explain the item along with potential benefits

# Feedback

1. Does the working group agree with the revised goals for Demand Response?
2. Does the working group agree with the IESO's proposal to:
  - a) Maintain currently underway work plan items on the 2018 DR work plan
  - b) Re-evaluate all other 2017 work plan items against new suggestions from the working group
3. Submit additional work plan items to be considered for the 2018 DR work plan
  - Please provide feedback by December 8<sup>th</sup> to [engagement@ieso.ca](mailto:engagement@ieso.ca)