

# UTILIZATION PAYMENTS – 2017 WORK PLAN ITEM

Scope of Discussion Paper

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July 21<sup>st</sup>, 2017

# Update

- The topic of utilization payments for demand response was selected by stakeholders to be part of the 2017 DR work plan as a discussion item
- At the May 30<sup>th</sup> DRWG, the IESO informed stakeholders of the plan to engage with an independent consultant to produce a discussion paper on the merits of utilization payments to facilitate further discussion
  - The IESO presented initial scope topics and invited stakeholder feedback

# Discussion Paper Scope

- The purpose of the discussion paper is explore whether utilization payments can facilitate greater economic participation of HDR resources
- After incorporating stakeholder input, the discussion paper scope is:
  - **Jurisdictional review** - A summary of practices that are adopted in other markets
  - **Economic efficiency** - Arguments for/against providing a utilization payment to DR resources in light of current and future system needs
  - **DR Participation** – The likely impacts of utilization payments to the dispatch frequency of HDR resources in Ontario
  - **Wider market impacts** - Spillover effects on the wider market

# Next Steps

- Navigant has been selected as the consultant to produce the discussion paper through an RFP process
- The discussion paper is expected to be completed in Q3 and will be posted on the DRWG webpage
- Utilization payments will be an agenda item at the next DRWG meeting once the discussion paper is posted

If you have any questions or feedback,  
please submit to [engagement@ieso.ca](mailto:engagement@ieso.ca)