

Demand Response Working Group (DRWG) Meeting Notes – May 11, 2017

| Date held: May 11, 2017 | Time held: 10am-12pm | Location held: Webcast |
|------------------------------------|-----------------------------|-------------------------------|
| Company Name | Invited/Attended | |
| Ameresco Canada Inc. | Fonger, Jim | Webcast |
| AMP Solar Group | Luukkonen, Paul | Webcast |
| City of Toronto | Koff, Chaim | Webcast |
| City of Toronto | Poto, Angelo | Webcast |
| Customized Energy Solutions | Clemenhausen, Barbara | Webcast |
| Honeywell | Roberston, Jack | Webcast |
| Enbala | Thompson, Jonathan | Webcast |
| Energent | Thoms, Douglas | Webcast |
| Energy Hub | Diamond, Erika | Webcast |
| Energy Hub | Kier, Laura | Webcast |
| EnerNOC, Inc. | Griffiths, Sarah | Webcast |
| Gerdau Long Steel North America | Forsyth, Dave | Webcast |
| Great Circle Solar Management Corp | Wharton, Karen | Webcast |
| Hamilton Utilities Corporation | Crown, Mike | Webcast |
| Hydro One | Malozewski, Mernaz | Webcast |
| Ministry of Energy | Qureshi, Musab | Webcast |
| Nest Labs | Amaral, Utilia | Webcast |
| NRG Curtailment Solutions, Inc. | Moore, Michael | Webcast |
| NRG Curtailment Solutions, Inc. | Goka, Nekabari | Webcast |
| OhmConnect | Kooiman, Brian | Webcast |
| Opower/Oracle | Lopez, Alex | Webcast |
| Power Consumer | Jagt, Mandy | Webcast |
| Alectra | Carr, Daniel | Webcast |
| Resolute Forest Products | Degelman, Cara | Webcast |
| Resolute Forest Products | Ruberto, Tony | Webcast |
| Resolute Forest Products | Giardetti, Peter | Webcast |
| Rodan Energy Solutions | Goddard, Rick | Webcast |
| Rodan Energy Solutions | Ingram, Rachel | Webcast |
| Rodan Energy Solutions | Dudka, Marko | Webcast |
| Tembec | Laflamme, Serge | Webcast |
| Voltalis | Cassoudebat, Olivier | Webcast |
| IESO | Chapman, Tom | Webcast |
| IESO | Duru, Josh | Webcast |
| IESO | Grbavac, Jason | Webcast |

All meeting material is available on the IESO web site at: <http://www.ieso.ca/en/sector-participants/engagement-initiatives/working-groups/demand-response-working-group> .

Item 1 – Response to Stakeholder feedback

Mark Hartland discussed feedback received from stakeholders around the peaksaver transition, criteria for dispatching Hourly DR resources, and Brant pilot project. Full responses to stakeholder feedback can be found on our website at www.ieso.ca/drwg

Item 2 – Notification and activation of HDR resources

Gordon Drake provided an update on the “Improved Utilization of DR” item of the 2017 work plan, and how any changes to this process should be ready by early June in preparation for the June 27th Technical Panel.

To date we have not seen any activation of DR resources due to two hurdles; energy market bid prices at the top end of the resource stack, and the current requirements of the standby and activation criteria. Ultimately, the IESO’s goal is not to increase the number of activations for the sake of increasing activations, but it must provide value to the system.

The options proposed for the standby notice, activation notice, and length of activation are:

Standby notice

Option 1. Treat every day in the commitment periods as a standby day. A standby can still be in place but this would not be a requirement for an activation.

Option 2. Reduce 4 hour scheduling requirement to the 1 hour requirement. Preliminary analysis shows it would increase the likelihood of sending a standby notification for a given day

Option 3. Adopt a price trigger as standby criteria. A standby notice would be sent to all DR resources if the price trigger is met.

Activation notice

Only one option to consider if we want to increase dispatch of Hourly DR resources, which is to activate DR resources when 1 of the 4 hours in PD-3 meets the price trigger

Activation length

Option 1. Maintain the 4-hour block dispatch in consideration to DR resource operational needs. Dispatch block would begin with the first hour scheduled in predispatch.

Option 2. Align activation block hours with only those scheduled in predispatch e.g. 2 consecutive hours

IESO asked participants to rank the preferred options on slide 31/32 and send these to us in their feedback.

Member Questions and Comments, with the IESO's response in italics:

A member commented that it would be valuable to increase the dispatch of Hourly DR but that we should explore introducing a utilization payment as an incentive for Hourly DR resources. The member's recommendation was that the IESO prioritise introducing a utilization payment, rather than amend the dispatch criteria.

The 2017 Work plan was agreed upon in the DRWG and prioritises changes to the activation criteria of DR. Utilization Payments is included in the Work plan but as a discussion item for 2017.

A member wanted to make sure everyone that the wider group was aware of the Market Surveillance Panel report published at the beginning of May. These options presented in today's meeting would help with some of the concerns from this report with regards to Hourly DR activations.

Item 3 - Utilization Payment discussion

Gordon Drake informed stakeholders that an independent consultant will be used to explore the merits of utilization payments. Stakeholders were invited to send submissions that would help form the scope of the consultant's discussions and analysis.

Next Steps

The next in person DRWG will take place on May 30th at the Crown Plaza. Feedback should be submitted to engagement@ieso.ca