



Comments of OhmConnect, Inc.
***In Response to the Demand Response Working Group (DRWG) May 30,
2017 Meeting***

Submitted by	Company	Date Submitted
Brian Kooiman brian@ohmconnect.com	OhmConnect, Inc.	June 12, 2017

1. INTRODUCTION

OhmConnect, Inc. (OhmConnect) appreciates the opportunity to submit comments to the Independent Electricity System Operator (IESO) on the presentations to the DRWG from the May 30, 2017 meeting. These comments address the proposed changes to standby and activation of Hourly Demand Response (DR) resources and the upcoming transition of peaksaver resources.

2. COMMENTS

OhmConnect supports the IESO's recommendation to adopt "Option 4" and its changes to the standby and activation of DR resources.

Of the options presented by the IESO on May 30, OhmConnect supports sending Standby notices if the predispatch price for any one hour is greater than \$100, Activation notices if at least one hour is scheduled in pre-dispatch, and Activation between one to four hours dependent on how many consecutive hours are economic, which were collectively designated as "Option 4". However, we request that the IESO clarify that "economic" refers to the bids that the Demand Response Market Participants (DRMPs) submit, such that a DRMP will not be activated for any hours for which its bids are above the hourly price. Furthermore, we urge the IESO to continue to consider the interplay between utilization payments and DRMP bidding strategy as the IESO moves to adopt these notification and activation changes within the Market Rules. For example, if utilization payments are recommended and adopted by the IESO, this may incentivize DRMPs to bid lower in the market, which in turn might also achieve the same goal of increasing Hourly DR activations. Therefore, we recommend that as the IESO moves forward with these changes to the Market Rules that the DRWG continue to consider how the IESO might further evolve the standby and activation of DR resources.

OhmConnect does not believe that DRWG members have all the information required to transition peaksaver resources to the DR auction and energy market.

OhmConnect was very appreciative of the robust discussion at the May 30 DRWG meeting regarding peaksaver devices. We believe that there are two outstanding questions following this discussion that warrant further consideration by the IESO and the DRWG.

1. How will third parties access and utilize the existing peaksaver devices?

OhmConnect's understanding from the DRWG meeting is that the majority of peaksaver devices have "paging" capabilities. "Pager network service providers" can activate the devices through "control system software" if certain technical requirements (e.g. device identification, serial number, and frequency) are known to the provider. Given the IESO recommendation that third parties engage directly with experts in the field, we request that the IESO provide the DRWG with contact information for both pager network service providers and developers of the control system software. This will empower potential DRMPs unfamiliar with the technical capabilities of the peaksaver devices to determine whether and how they might incorporate the devices into their DR portfolios.

2. To maintain a level and competitive playing field for the upcoming DR Auction, can the IESO facilitate notifications to existing peaksaver customers of potential uses for their peaksaver device once the program is ended?

During the May 30 DRWG meeting it was suggested that a component of the outreach notifying customers of the retirement of the peaksaver program could include information about the DR Auction, where the devices may be utilized. OhmConnect supports notifying customers of their options, and asks whether the IESO and the DRWG could assist with this notification in two ways: 1) include language in the notification directing customers to the DRWG webpage and 2) build into the DRWG webpage a "marketplace" that lists potential DRAPs who offer peaksaver device integration with their programs. This will help match current peaksaver customers to the program that best meets their needs, and may help mitigate any potential drop-off that could occur if a customer's Local Distribution Company (LDC) does not intend to continue its peaksaver program, otherwise leaving that customer "stranded" from participation.

OhmConnect encourages the IESO to include all potential megawatts (MWs) from peaksaver resources in the MW target for the upcoming DR Auction.

OhmConnect understands from the May 30 meeting that the current trajectory of the DR Auction procurement targets presumed that all MWs from the peaksaver program would remain functional and separate from the DR Auction. Therefore, the DR Auction targets did not take into account additional MWs that might be available to bid in via the peaksaver program. If these additional peaksaver MWs are all successfully bid into the DR Auction without modifying the target to account for all of these MWs, then conceivably underprocurement of DR will occur. To mitigate this risk, we suggest that the IESO increase the procurement target to account for all MWs from the peaksaver program that could

feasibly be bid into the DR Auction (for example, excluding MW from devices that are no longer functional). Without further understanding of the contractual approach, at this time we do not believe this is the best way to incorporate MWs from the peaksaver program, especially if it deviates from a market-based procurement.

3. CONCLUSION

OhmConnect appreciates the IESO's consideration of these comments.