

UPDATE ON 2017 DR AUCTION PARAMETERS

Demand Response Working Group

September 12, 2017

Purpose

- To provide an overview of the 2017 DR Auction parameters and discuss expected changes for the coming auction

Pre-Auction Report

- The Pre-Auction report publishes information about the parameters of the upcoming DR Auction
 - Relevant dates
 - Demand curve parameters
 - Zonal limits
- Report typically published in September ahead of the DR Auction held in December
- Report is published on the IESO's public report site <http://reports.ieso.ca/public/DR-PreAuction/>

Demand Curve Elements

Not Changing for 2017 DR Auction

- Demand curve pricing elements will not change for the 2017 DR Auction
 - Reference price remains at the historical contracting cost to procure DR
 - Maximum Clearing Price remains at 1.25x the Reference Price

Demand Curve Elements	Summer 2018 (May 1 to Oct 31)	Winter 2018/19 (Nov 1 to April 30)
Reference Price	\$413/MW-day	\$413/MW-day
Maximum Clearing Price	\$516/MW-day	\$516/MW-day
Minimum Clearing Price	\$0/MW-day	\$0/MW-day

Demand Curve Elements

Changing for 2017 DR Auction

- DR Auction Target Capacity will be increasing for the 2017 DR Auction
 - Target capacity will be increased by 7% as stakeholdered at the September 30, 2016 meeting
 - Include MW from expiring Capacity Based Demand Response program and DR Pilot program
 - Transition Peaksaver MW (for Summer only), as discussed with stakeholders

Target Capacity Calculation:

Summer 2018	Winter 2018-19
2016 DR Auction Summer Target Capacity increased by 7% (393MW × 1.07 = 420MW)	2016 DR Auction Winter Target Capacity increased by 7% (393MW × 1.07 = 420MW)
<i>Plus</i> Expiring CBDR MW ~37MW	<i>Plus</i> Expiring CBDR MW ~121MW + 37MW (<i>expiring CBDR from Summer 2018</i>)
<i>Plus</i> Expiring DR Pilot MW	<i>Plus</i> Expiring DR Pilot MW
<i>Plus</i> Transitioning Peaksaver MW	--
= 2017 DR Auction Summer Target Capacity	= 2017 DR Auction Winter Target Capacity

Zonal Constraints

- Zonal constraints reflect the quantity of DR MW can be accommodated within ten electrical zones of Ontario
- Two types of zonal limits:
 - Total Zonal DR Limit:
 - Total quantity of DR that can be accommodated within a zone including both physical and virtual capacity
 - Virtual Zonal DR Limit:
 - Total quantity of virtual DR capacity each zone can accommodate
- For the 2017 DR Auction, both the total and zonal limits will be increased by the quantity of expiring CBDR and DR Pilot capacity in each respective zone

Upcoming Timelines

Process	Activity Milestones	Responsibility	Dates
Pre-Auction Registration	Last day to be authorized as a DRAP	Market Participant/IESO	Oct 11, 2017
Reports	Publish Pre-Auction Report	IESO	Sep 21, 2017
Capacity Qualification	Start submission of Capacity Qualification information	Market Participant	Sep 28, 2017
	Last day to submit Capacity Qualification information	Market Participant	Oct 30, 2017
	Last day to provide DR Auction Deposit	Market Participant	Nov 29, 2017
Conduct DR Auction	Start of DR Auction Offer Submission Window	Market Participant	Dec 6, 2017 9:00am
	End of DR Auction Offer Submission Window	Market Participant	Dec 7, 2017 11:59pm
Reports	Publish DR Auction results	IESO	Dec 14, 2017

Full timeline calendar available at:

<http://www.ieso.ca/-/media/files/ieso/document-library/calendars/2018/dr-auction-timelines-2018.pdf?la=en>