

December 8, 2017

Independent Energy System Operator
Ontario, CA
engagement@ieso.ca

Re: Comments on November 16, 2017 Demand Response Working Group

Dear IESO Stakeholder Engagement Team,

NRG Curtailment Solutions Canada, Inc. (NRGCS) is a leading provider of load curtailment services in markets across North America. We serve industrial and commercial customers, and we today are writing to provide comments on the issues that were raised in the November 16, 2017 Demand Response Working Group meeting. We recognize that in order to make the utilization of Hourly Demand Response (HDR) more efficient, modification of the Standby Notice Criteria, Activation Notice Criteria and the Activation Length is a vital next step.

NRGCS supports a change to activation length

The IESO should economically dispatch resources when they are valuable to the system and for the time periods the resources are needed; therefore, it would improve the value of DR if operators were not required to call HDR for a minimum of 4 hours, as the 4-hour block dispatch leads to the distortion of real time prices due to the HDR resource being dispatched out of merit. The IESO's proposal to change the activation length to "up-to-4 hours" depending on how many consecutive hours are economic, utilizes the value of DR resources and their ability to be flexible.

NRGCS agrees that the adoption of a shorter Standby Notice could improve availability but cautions that such change could negatively affect participation

HDR that could be activated on short notice could add to system flexibility as operators cannot always perfectly foresee the system's needs even a few hours ahead. However, standby notices are helpful, especially for resources that need time to prepare their facilities for load reduction. Such a standby notice could determine whether the resource is willing, or even able, to participate in HDR.

NRGCS does not support the elimination of the Standby Notice altogether, and suggests that the IESO consider adopting a shorter Standby Notice Criteria. We urge the IESO to develop appropriate activation protocols to take advantage of the DR resources with slower response rates. If Standby Notice is eliminated altogether, IESO risks losing the benefits that these unique resources add to the system, and in particular their value in addressing peak demand.

NRGCS does not support the reduction of the lead time from the current 2.5 hours to as little as 45 minutes

NRGCS agrees that changing the activation notice to a minimum of 45 minutes could potentially improve operational flexibility and decrease likelihood of redundant activation. However, lead time notices are an operational parameter that can be compared with startup time required by any other traditional capacity resource that injects into the grid. To the extent possible, the resources with capacity obligations should be subject to uniform participation rules such that every MW is contributing comparable value to the system regardless of the resource's technology. However, some unique operational parameters – i.e. lead time to take actions to decrease consumption – must be recognized to reduce artificial barrier to entry and to facilitate participation. Therefore, the lead time notice should not be shortened universally.

NRGCS recommends that the lead time notice remain unchanged. In addition, we would also suggest further analysis of this issue and development of resource-specific lead times, to the extent possible. Allowing DR resources with longer than 45-minutes lead time to provide valuable peak load shaving during times of grid stress, will preserve system flexibility while boosting participation and supporting efficient dispatch. NRGCS looks forward to further discussion of this idea at the future DRWG.

Additionally, NRGCS supports inclusion of HDR on the Emergency Control Actions (EOSCA) List effective May 1, 2018.

NRGCS supports the IESO's proposals that increase real operating value of HDR. Therefore, we support the idea that the EOSCA list includes activating capacity of the HDR during an "emergency operating state" based on existing scheduling protocol. And, we generally agree that HDR resources should have the same performance obligations during such events as they would if scheduled based on their bid price.

Thank you for the opportunity to submit these comments. Please do not hesitate to contact me with further questions.

Best regards,

Julia Popova
NRG Curtailment Solutions, Inc.