

# 2018 DR WORK PLAN

Demand Response Working Group

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January 30, 2018

# Today's Objectives

- Confirm the proposed 2018 goals of the DRWG with stakeholders
- Review the criteria in the framework to evaluate priority items to be included in the 2018 DR work plan
- Review how IESO has consolidated feedback on priorities to ensure it has been documented accurately and clarify where needed
  - We will request feedback on how priorities align with DRWG goals for the next meeting.

# 2018 Goals for Demand Response

- The following goals were proposed at the Nov. 16<sup>th</sup> DRWG meeting



*Stakeholder feedback in general agreement with these goals*

# Evaluation Criteria

- A framework was developed to assess feedback and establish its priority.
  - Balance the need to efficiently short-list priority items so that the DRWG can get to work on evolving DR; with
  - Unwieldy for IESO to perform an in-depth analysis on each individual item
- Evaluation criteria was agreed upon with DRWG members at the January 31, 2017 meeting
  1. Compatibility with goals for DR
  2. Electricity market benefits
    - e.g. materiality, competition, efficiency, broader market benefits
  3. Ease to implement (assess likely costs)
    - e.g. time, effort, cost, IESO internal constraints
  4. Timeline/Urgency for implementation

# DR Work Plan

At the Nov 16<sup>th</sup> DRWG meeting, the IESO proposed:

1. To maintain the 2017 work plan items currently underway on the 2018 work plan
2. Items from the 2017 work plan that have not yet been discussed will be reviewed by the DRWG against new priority items put forth by the working group

Proposed 2018 DR Work Plan	
Items Underway (Maintain)	Improved Utilization of DR
	Test Dispatch Structure
	Utilization Payments
2017 Items not yet Discussed (to be re-evaluated against new items)	Longer Commitment Periods
	Varying DR Capacity Obligations/New Peak Resource
	DLs as contributors to HDR resources
	Record of Installation Review
New Items Identified by DRWG members for 2018	To be put forward by working group members

*Stakeholder feedback in general agreement with this proposal*

# Determining the 2018 Work Plan

- The work plan will define the DR related initiatives the DRWG and the IESO will focus on in 2018
- Items with common agreement and that meet the agreed upon criteria would logically be given priority
  - The DRWG and IESO can work together on designing and implementing these initiatives
- The remaining items will be logged and the IESO will work with stakeholders to determine how best to proceed

# DRWG 2018 Considerations

- With the Incremental Capacity Auction (ICA) currently in HLD phase it is important to clarify:
  - The DRWG will remain the forum for DR stakeholders to discuss the **transition** towards meeting the requirements for the ICA
  - ICA SE is the forum for DR stakeholders to participate in the **design** of the future ICA
- IESO resource constraints
- Alignment with stated goals –in particular facilitating alignment with Market Renewal and ICA

# STAKEHOLDER PRIORITIES



# Priority Items – *in Progress*

## *Improved Utilization of HDR Resources*

- The IESO is committed to finding ways to better utilize HDR resources
- Improving HDR scheduling flexibility increases opportunities for HDR to be utilized during times of system need
- The IESO will continue to work with stakeholders on this item

# Priority Items – *in Progress*

## *Utilization Payments*

- Some participants argue that a utilization payment will improve the value of DR by providing an incentive to activate DR in the energy market, which may reduce energy bid prices
- The IESO has committed to explore the merits of Utilization Payments with this forum
- Navigant discussion paper on the merits of DR utilization payments published in December will be used to facilitate discussion on this topic

# Priority Items – *in Progress*

## *Greater clarity in test dispatch structure for HDR resources*

- Participants have advised that the testing procedure could be improved through greater clarity and documentation, closely mimicking in-market dispatch

# Priority Items – *Not Addressed in 2017*

## *Allow longer Commitment Periods*

- Commitment periods are currently 6 months in duration
- Allow some amount of DR capacity to be committed longer than 1 year through the DR Auction
- *Some members believe that the DRWG should no longer pursue this item. Discussion on this topic may be better suited to the ICA stakeholder engagement*
- This item was a topic of discussion at the December 4<sup>th</sup> ICA stakeholder session; the presentation is available [here](#).

# Priority Items – *Not Addressed in 2017*

## *Varying DR Capacity Obligations*

- Currently DR Capacity Obligations are fixed for a 6-month commitment period
- Allow DR Capacity Obligations to vary on a monthly basis
- *Some members believe that the DRWG should no longer pursue this item. Discussion on this topic may be better suited to the ICA stakeholder engagement*
- This item was a topic of discussion at the December 4<sup>th</sup> ICA stakeholder session; the presentation is available [here](#).

# Priority Items – *Not Addressed in 2017*

## *Review of Record of Installation Requirements*

- Review of administrative requirements for meter auditability and measurement and verification required to sign up certain contributors
- Less stringent requirements to recognize barriers faced by Commercial & Industrial HDR participants
- Requirement should be changed to best-efforts basis or a threshold-based requirement
- *Some members encourage the IESO to keep this item on the priority list for 2018*

# Priority Items – *Not Addressed in 2017*

## *Dispatchable Loads in Aggregated Resources*

- Modify IESO systems to allow dispatchable loads to participate simultaneously as an energy market resource and as a contributor to an energy market resource
- Last tranche of CBDR capacity expired and was eligible to compete in the December 2017 auction
- *Some members encourage the IESO to keep this item on the priority list for 2018*

# Priority Items – *Not Addressed in 2017*

## *Reduce 1 MW minimum size for energy resources to 100 kW*

- Reducing minimum size for energy resources will allow greater participation from the residential sector
- *Some members would like this item to remain a priority*
- *This issue has broader implications and considerations that go beyond the scope of the DRWG.*
  - *The IESO is in the process of developing a DER framework and strategy which will explore how to best integrate these small resources.*
  - *Further internal work is required to assess the scope of change required to determine whether it is feasible to lower the threshold of participation.*



# Priority Items – *New in 2018*

## *Focus on Demand Management*

- Understand whether and how already installed thermostats can be engaged after the fact for demand management
- Modify pre-existing programs to obtain customer commitment to participate in Demand Response in exchange for smart thermostats
- Utilize HDR Resources on a daily basis as a demand management tool to manage daily peaks

# Priority Items – *New in 2018*

## *Create a resource sub-category for weather-sensitive loads*

- Weather-sensitive loads are more reliable and available in weather-driven peak
- These loads may not provide as robust a response if they are already operating below their peak demand
- The IESO has previously noted that HDR resources are able to submit energy bids reflective of the resources capability

# Priority Items – *New in 2018*

## *Quantify the true financial value of Demand Response to the system*

- IESO requests greater clarity from stakeholders on this feedback item.
  - In particular, what is meant specifically by ‘financial value’ and whether and how it relates to aspects of the auction process and the determination of the auction clearing price.

# Priority Items – *New in 2018*

## *Update the DR baseline methodology*

- Include a re-evaluation of the in-day adjustment
- IESO requests greater clarity from stakeholders on this feedback item, in particular more detail on the rationale and/or basis for, a re-evaluation.
- *It should be noted that the ICA is currently discussing the evaluation of compliance with dispatch and has proposed moving to a consistent percentage dead-band for all resources for compliance with dispatch instructions.*
  - *There will be further discussion on this topic at the ICA detail design stage*

# Priority Items – *New in 2018*

## *Construct a webpage that lists DRAPs/DRMPs*

- Webpage could be a resource for DR providers to direct customers seeking additional confirmation.
  - Customers unfamiliar with DR can be skeptical of the program; webpage can demonstrate that a particular DR provider is a legitimate market participant
- The IESO's webpage listing all registered participants can be found here: <http://www.ieso.ca/sector-participants/registration/organization-registration-and-participant-authorization/registered-participants>

# Priority Items – *New in 2018*

*Discuss the requirement for an aggregator to provide 3 months of billing statements for every contributor when audited.*

- The IESO requests greater clarity on this request

# Other comments

*Review the audit process for meter data*

*Review the meter data requirement submission*

- A stakeholder noted their intention to raise these issues for discussion in the context of the ICA

# Priority Items – *New in 2018*

- Any additional priority items to consider?



# Summary of Stakeholder Priorities

Category	Item
In Progress	Improved utilization of HDR resources
	Utilization payments
	Greater clarity in test dispatch structure of HDR resources
Not Addressed in 2017	Allow longer commitment periods
	Varying DR capacity obligations
	Review of Record of Installation requirements
	Dispatchable loads in aggregated resources
	Reduce minimum size for energy resources
New in 2018	Focus more broadly on Demand management
	Create a resource sub-category for weather-sensitive loads
	Quantify the true financial value of Demand Response to the system
	Update DR Baseline Methodology
	Construct a webpage that lists DRAPs/DRMPs
	Audit requirement for billing statements

# Next Steps

- Please ensure the IESO has captured all feedback items accurately
- Interested in feedback on:
  - How the proposals align with stated goals for 2018
  - Whether and how proposals will facilitate alignment with (and not create new 'seams' issues for) Market Renewal and the ICA in particular
- The IESO will review stakeholder feedback and publish a proposed work plan for stakeholder comment at the next DRWG meeting in early March

# Next Steps

- To provide feedback, please contact [engagement@ieso.ca](mailto:engagement@ieso.ca) by February 13 to have a priority item considered for the 2018 DR work plan