

February 15, 2018

IESO Stakeholder Engagement

Submitted via email

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Re: Demand Response Working Group Meeting – January 30th 2018

EnerNOC, an Enel Group Company, is a trusted partner helping enterprises develop, execute, refine customized energy **management** strategies to reduce costs, manage risk, and maximize the value of emerging energy technologies. EnerNOC is the global leader in demand-side flexibility services, providing large energy users access to more demand response and demand management programs worldwide than any other provider. EnerNOC is pleased to provide comments in response to the IESO Demand Response Working Group (DRWG) meeting of January 30th, 2018.

Alignment with the Incremental Capacity Auction

EnerNOC supports the alignment of the rule changes for the Hourly DR resource (HDR) with the development of the Incremental Capacity Auction (ICA). Defining the capacity product, and recognizing the individual features of different resources, is an important element of the ICA high level design and EnerNOC will continue to participate in the ICA consultation to ensure the value of the demand response resource to the system is preserved.

DRWG Priorities for 2018

EnerNOC has provided information to the IESO on the priorities for the DRWG for 2018 in past comments and participation in the DRWG. An additional item that was discussed at the January 30th meeting was the length of testing of resources procured through the Demand Response Auction. EnerNOC supports creating a new priority for 2018 that would evaluate the need for a 4 hour test of a resource. The point of an audit/test is to ensure that a resource/contributor can follow the dispatch instructions. It can definitely be argued that decreasing load to meet the time lines are the most important part of the test for the system operator to evaluate the resources. Having the resource down for a complete 4 hours adds no value to the system operator, however it does greatly impact the customer who is 'down'. This impact outweighs the value to the IESO to confirm that once a resource is down it will stay down for 4 hours. The penalty regime that exists for resources procured through the Demand Response Auction is incentive enough to keep a resource down for the amount of time in the dispatch instructions from the IESO during a real activation.

Improving the Utilization Hourly DR Resource

EnerNOC has long supported increasing the value of the Hourly DR resource for the system operator. The current rules for activation of the HDR resource are based on the Ontario Power Authority's DR3 program that was a contract based capacity program. As the program transitioned to the IESO market, the activation and duration program rules did not change. EnerNOC supports changing the market rules of the HDR resource to ensure it is able to meet the needs of the IESO. This includes the changing the 4-hour duration of activation to 'up to 4 hours'. If the system needs one hour of this capacity resource, HDR should only be activated for 1 hour.

As noted in previous comments, if changes are to be made to the standby notice, the right balance needs to be struck between the amount of standby notices and actual activations. Customers prepare for activation once they have received the Standby Notice. It is in the best interest of the system to limit the Standby Notices to reflect an actual chance of activation. If you continue to put resources on standby but do not actually activate them, the unintended consequence of false starts may occur. Resources will learn to not take the Standby Notice seriously, and may not react as needed once the resource is actually needed/activated. This learned behaviour is not in the best interest of the market.

EnerNOC could support the standby notice moving to 1 hour above the trigger price if the right trigger price is found.

Conclusion

Once again, EnerNOC appreciates the opportunity to provide comments on the discussions at the January 30th, 2018 DRWG. If there are any questions, EnerNOC would be more than happy to provide further information to any of the topics outlined in these comments.

Yours truly,



Sarah Griffiths
EnerNOC, an Enel Group Company