

Demand Response Working Group (DRWG)

May 3, 2018

Minutes of Meeting

Company Name	Invited/Attended	Attendance Status (A)ttended; (R)egrets; (S)ubstitute
AMP Energy	Luukkonen, Paul	A
City of Toronto	Cheng, Jessie	A
Ecobee	Houle, Jonathan	R
Great Circle Solar Management	Wharton, Karen	A
Hydro One	Katsuras, George	A
NRG Matters Corp	DiRuscio, Carmine	A
Rayonier Advanced Materials	Laflamme, Serge	A
Rodan Energy Solutions	Goddard, Rick	A
Rodan Energy Solutions	Quassem, Farhad	A
Southcott Ventures	Lampe, Aaron	A
Voltus, Inc.	Strawczynski, Zygmunt	A
Registered to participate via Webex		
Alectra	Carr, Daniel	Webex
City of Toronto	Koff, Chaim	Webex
Cpower Energy Management	Hourihan, Mike	Webex
Customized Energy Solutions	Withrow, David	Webex
EnerNOC, Inc.	Griffiths, Sarah	Webex
Great Circle Solar Management	Antic, Tina	Webex
Hamilton Utilities Corporation	Crown, Mike	Webex
Ministry of Energy	Tomlinson, Patrick	Webex
MSP	Koetsier, John	Webex
NRG Curtailment Solutions, Inc.	Vukovic, Jennifer	Webex
NRG Curtailment Solutions, Inc.	Popova, Julia	Webex
OhmConnect	Kooiman, Brian	Webex
Power Advisory	Simmons, Sarah	Webex
Resolute Forest Products	Degelman, Cara	Webex
Stem/Nest Labs	Amaral, Utilia	Webex
Toronto Hydro-Electric Services	Marzoughi, Rei	Webex
IESO		
Agrawal, Vipul	IESO	A
Campbell, Alexandra	IESO	A
Cowx, Christina	IESO	A
Duru, Josh	IESO	A
Grbavac, Jason	IESO	A
King, Ryan	IESO	A
Singh, Diljeet	IESO	A
Trickey, Candice	IESO	A
Please report any corrections, additions or deletions e-mail to engagement@ieso.ca		

All meeting material is available on the IESO web site at: <http://ieso.ca/DRWG>

Item 1 – Dispatchable Load in Aggregated Portfolios

Ryan King provided the members of the DRWG with an update to the priority item “Dispatchable Loads in Aggregated Resources”. Stakeholders asked the IESO why dispatchable load resources could not simultaneously participate in the energy market as a contributor to an aggregated hourly demand response (HDR) resource and a dispatchable load resource. Ryan provided an overview of what market resource requirements are and the history behind why in past programs dispatchable loads were permitted to participate as a contributor to an aggregated portfolio. The presentation also outlined how allowing dispatchable loads in an aggregated portfolio would create negative impacts including loss of flexibility and overstated demand.

Member Questions and Comments, with the IESO’s response in italics:

A stakeholder asked the IESO to clarify the meaning of the term “uneconomically dispatched”. *Dispatchable loads are being scheduled to consume. They are ‘uneconomic’ whenever their scheduled quantity is less than their bid quantity. The curtailment in energy is the difference between their schedule and their bid.*

For example, if a load bids to consume 90 MW and they are only scheduled for 80 MW, then the 10 MW difference was uneconomic to consume and is therefore the demand response they are providing.

A member asked how much time a dispatchable load has to remove their bids from the market. *Dispatchable load resources have up **until** the 2 hours before dispatch (the 2-hour mandatory window) to remove their bids from the market for any reason.*

A stakeholder asked if dispatchable loads are required to participate for all hours in the day or only for the hours of availability. They also asked if dispatchable loads are able to participate in the energy market outside of DR.

A dispatchable load that has cleared the DR auction will have certain obligations in terms of their bidding and participation; they will be assessed for DR capacity obligation settlement purposes on whether they bid at least the quantity of their capacity obligation for the hours of availability. However, dispatchable loads with or without a DR capacity position may submit bids/offers into the energy and reserve markets for any hour(s) on a voluntary basis.

A member asked whether dispatchable loads in terms of the auction are dispatched on a 5-minute basis and what the typical length of time a dispatchable load is dispatched for.

Dispatchable loads are dispatched on a 5-minute basis. There is no standby for these resources and they indicate their availability through their bids. How often and for how long a resource is activated will be a function of their bid price and its consideration in security constrained economic dispatch.

A stakeholder asked whether loads that need to be aggregated to participate as a dispatchable load -and cannot participate in DR alone since they are too small- have been considered as part of the dispatchable load in aggregated resources discussion.

The IESO currently does not allow for aggregated dispatchable load participation. However, the IESO is interested in hearing more about stakeholder interests and capabilities through the expanding resource participation in operating reserve initiative. Currently the IESO is collecting information from stakeholders to identify opportunities and barriers. More information on this initiative is available in this presentation: <http://www.ieso.ca/-/media/files/ieso/document-library/public-info-session/2017/epor-20171110-presentation.pdf?la=en>

A member asked the IESO to define “direct revenue meter visibility”.

There are two pieces to the meter requirements: 1) operational telemetry so the IESO can see in real-time what a participant’s consumption is on a 5-minute basis, and 2) the revenue meter that is used for billing purposes. Revenue requirements are outlined in Chapter 6 of the Market Rules.

A stakeholder asked if other jurisdictions have the same revenue meter considerations as there are here in Ontario where they have to be Measurement Canada approved.

The IESO cannot speak to requirements in other jurisdictions but is required for settlement purposes to comply with Measurement Canada and their standards. The IESO is open to further discussion on metering issues at a future DRWG meeting.

A member commented that current metering requirements are a barrier for participation in DR. They asked how the IESO and the members of the DRWG could work collaboratively to identify what is needed and drive towards a better solution that will bring more resources online. The member stated that they believe this issue should be discussed across all platforms of the Market Renewal Project.

The IESO agrees that this issue would go beyond the DRWG and discussions on this topic could arise on a future agenda.

Item 2 – Incremental Capacity Auction

Vipul Agrawal presented an overview of the Incremental Capacity Auction decisions phase work plan to the members of the DRWG. The ICA is currently in the process of closing phase 2 of the 3 phase high level design process. A large part of phase 3 will be to begin making preliminary decisions and drafting the high level design document. DRWG members were encouraged to attend upcoming ICA stakeholder engagements to ensure their feedback on the topic is received and responded to appropriately. The next in-person ICA stakeholder engagement will be held on June 14.

Member Questions and Comments, with the IESO’s response in italics:

A member asked when the IESO will have a better idea of what the capacity product will look like.

Part of the ICA's high-level design work is to define what the capacity product looks like. The characteristics of the capacity the IESO is looking for is mainly made up of two design elements: resource performance obligations and performance assessment. The IESO encourages DRWG members to attend the ICA stakeholder engagements to ensure they are informed of decisions being made and able to provide feedback. The first draft of the HLD document is expected to be released in Late Q1/Early Q2 of 2019, which will outline the 'Capacity Product' the ICA is looking to procure.

A stakeholder commented that the issue around aggregated resources should not be left out of the design process for too long.

Aggregation is a decision item that the IESO is actively tracking as part of the high-level design process for the ICA.

The IESO encouraged DRWG members to participate in ICA stakeholder engagements and provide feedback on that topic in that forum. The IESO will also aim to bring information presented in the ICA to the DRWG, and help to better inform DRWG members of the happenings in the ICA.

Item 3 – Improved Utilization of HDR Resources

Ryan King and Josh Duru provided the members of the DRWG with the final proposal for HDR utilization improvements and to review the proposed market rule amendments. The draft market rule amendments for HDR utilization improvements and clarifying the IESO's authority to utilize HDR resources as actions on the EOSCA list will be presented to the Technical Panel (TP) at the TP meeting in May. The changes are targeted to be in place for the next Auction in December 2018.

Member Questions and Comments, with the IESO's response in italics:

A member asked whether an HDR resource can be activated for more than one hour if it is within the 4 hour activation block but is not a consecutive hour.

An HDR resource can only be activated for consecutive hours within the 4 hour block and only if the first hour is activated. If a resource is activated for the first hour and not the second hour, it cannot be activated for the third hour.

A stakeholder asked if the IESO is willing to consider reducing the HDR testing requirement from four hours to one hour in light of the proposed DR enhancements under which a DR resource can be dispatched for 1 up to 4 hours. It was also inquired whether there are any provisions for HDR resources, similar to provisions allotted to dispatchable loads, to satisfy testing requirements through in-market activations.

The IESO committed to revisit the test requirements once the proposed changes to the activation requirements are completed and with consideration of the results of completed in-market and test activations. As for satisfying HDR testing requirements through in-market activation is concerned, as per Market Manual 7.3, the IESO may choose to not test a HDR resource, similar to the treatment of a

dispatchable load resource, if the HDR has demonstrated meeting its capacity obligation through in-market activation.

A stakeholder asked how the capacity and dispatch settlement charge would be assessed under the new changes.

The IESO confirmed that these will be based on the hours activated. The full list of non-performance charges for DR capacity obligations is contained in Market Manual 5.5

<http://www.ieso.ca/en/sector-participants/market-operations/-/media/b2ac386186ab499395164aa3146e9cca.ashx>

Item 4 – 2018 Work Plan and Meeting Schedule

Jason Grbavac provided the members of the DRWG with a review of the 2018 DRWG work plan priorities and proposed two more in-person meetings for the rest of the calendar year, interspersed with webinars as necessary. The in-person meetings proposed are for August and November. All DRWG meetings will continue to address priorities in the work plan and DRWG members will continue to shift more focus toward the ICA engagement.

Member Questions and Comments, with the IESO's response in italics:

No comments were provided.