

Comments to:  
Independent Electricity System Operator (IESO)  
Stakeholder Engagement for Demand Response Working Group on  
November 15, 2018

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Submission by

City of Toronto

Presentation	IESO Comment	Stakeholder Comment / Question/ Recommendation
<p><b>DR Activation Timeline Proposals</b></p> <p><b>Update to DR Activation Timeline (Slide7)</b></p>	<p><b>IESO-</b> Additional cost to the IESO to implement this change since it impacts multiple components</p>	<p><b>Comment:</b> The IESO approved DR market rule amendments will reduce activation notice, and increase activations; this may increase the challenge of managing the in-day adjustment for specific participants.</p> <p><b>Question:</b> Can the IESO provide details on the scale of these costs and/or the feasibility of investing in updates to meet the system needs.</p> <p><b>Recommendation:</b> The City proposes that the IESO update the "DR Activation Timeline" to align with the 4 hours pre-activation In Day Adjustment period and provide participants with a minimum 4 hour notification</p>
<p><b>Proposed Changes to CM Process: (Slide 16)</b></p>	<p><b>IESO:</b> <i>"Interdependencies in Contributor Registration "DRMPs must contact the IESO when this type of an interdependency is identified"</i></p>	<p><b>Recommendation:</b> This challenge has created contract issues that may have resulted in revenue losses; The City recommends that the IESO collaborate with the DRWG to identify a clear process.</p>

<p><b>Consideration for New Means of Collecting Meter Data (Slide 17)</b></p>	<p><b>IESO</b> "DRMPs have inquired about collecting meter data via KYZ pulses - There are currently no provisions in the Market Manual to allow for collecting meter data via KYZ pulses"</p>	<p><b>Comment:</b> The City of Toronto supports the change to allow the collection of KYZ pulses as some newly installed LDC meters do not allow customers access to the telemetry.</p>
<p><b>2019 DR Work Plan</b> <b>Facilitating DR Input into ICA (Slide 25)</b></p>	<p><b>IESO</b> "Proposed Approach:- DRWG can be utilized as forum for more focused discussions on the impact of particular ICA design decisions to provide clarity and understanding for both the IESO and DR participants"</p>	<p><b>Question</b> – Can the IESO clarify how details discussed at the DRWG will be used to define DR for the ICA?</p>
<p><b>DR in the Incremental Capacity Auction (ICA)</b> <b>QUALIFIED CAPACITY – Background (Slide 30)</b></p>	<p><b>IESO</b> "Requirements during the Forward Period may need to change due to the longer forward period in the ICA"</p>	<p><b>Recommendation:</b> The City recommends that the IESO create 2 streams:</p> <p>A) Participant: that require Contributor identification should meet a six months advance notification.</p> <p>B) Participants that have a construction Requirement should require provide confirmation by: 1 month prior to the final rebalancing auction</p>
<p><b>IESO "RESOURCE ELIGIBILITY - Minimum Consecutive Hours of Delivery (MCHD) Slide 33</b></p>	<p><b>IESO:</b> "The ICA will have a MCHD requirement- DR must conform with the MCHD (could be greater or less than the current four hour obligation in the DR auction)"</p>	<p><b>Question 1:</b> Is the IESO proposing that the ICA will have a unique Demand Response Minimum Consecutive Hours of Delivery?</p> <p><b>Recommendation:</b> If the IESO is standardizing MCHD for all resource types</p>

		<p>the City recommends that the MCHD reflect DR delivery capabilities</p>
<p><b>IESO : QUALIFIED CAPACITY – Resource Assessment (Slide 36)</b></p>	<p><b>IESO:</b> Given the above consideration, when is the right time for historical performance to begin counting towards future Capacity Qualifications in the ICA?</p>	<p><b>Question:</b> Can the IESO provide clarity on what metrics would be included in performance?</p> <p><b>Comment:</b> The IESO has already introduced significant availability charges and non-performance charges placing the onus on the participant to ensure that the capacity is delivered. The IESO proposal to integrate a new deliverability assessment to reflect the historical availability will further reduce the available DR capacity potentially raising costs for rate payers.</p> <p><b>Recommendation:</b> The City recommends that the IESO acknowledge the significant changes and new operational requirements in participating in the updated Demand Response program, and allow for adequate time for participants to adjust to the market rule changes before considering the historical performance.</p> <p><b>Recommendation #2</b> The City recommends that any qualified capacity decisions should reflect hours of availability. For example a peak summer resource should receive a reduced Q- Cap that allows the site to place energy bids for their hours of availability without penalty.</p>

<p><b>CAPACITY PAYMENTS – Non-Performance Charge (Slide 45)</b></p>	<p><b>IESO</b> Failing to reduce load within these threshold will result in dispatch non-performance charges being applied – It is expected to be similar in nature to existing DR Auction Dispatch Charge (CT 1317)</p>	<p><b>Question:</b> Does the IESO intend to have an equal non-performance penalty for all types of generation participating in the ICA?</p> <p><b>Recommendation:</b> Demand Response is an effective dispatch able resource and will enable new system flexibility into the future. Demand Response should be provided with an equal opportunity and not burdened with unique penalties that would create a competitive advantage for other resource types.</p>																		
<p><b>Accounting for Loads Participating in the ICI and as DR Resources in the ICA</b></p> <p>Effect of ICI on Demand Forecasts (Slide 50)</p>		<p><b>Comment:</b> The IESO on the November 17th 2017 DRWG meeting had assigned a \$100 price bid threshold to ensure that DR resources will not be double counted.</p> <p><b>Comment #2</b> Demand Response is a unique resource that provides a full value stack of system benefits including but not limited to:</p> <table border="1" data-bbox="1348 1084 1892 1308"> <thead> <tr> <th></th> <th>DR</th> <th>ICI</th> </tr> </thead> <tbody> <tr> <td>Contracted</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Dispatch-able</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Daily Avail.</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Winter peak</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>EOSCA</td> <td>Yes</td> <td>No</td> </tr> </tbody> </table> <p><b>Question 1:</b> Can the IESO confirm that the ICI program is expected to continue through</p>		DR	ICI	Contracted	Yes	No	Dispatch-able	Yes	No	Daily Avail.	Yes	No	Winter peak	Yes	No	EOSCA	Yes	No
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		<p>2023 and into the Incremental capacity auction.</p> <p><b>Question 2:</b> Is the IESO proposing to adjust load forecasts and the amount of capacity required to meet daily system reliability requirements?</p> <p><b>Question 3:</b> Does the IESO plan on engaging stakeholders on proposed changes to the contracted capacity and/or changes in system reliability?</p> <p><b>Recommendation:</b> The City recommends that the IESO provides details of the changes and clarify how the Industrial Conservation Initiative is meeting Ontario's electrical grid reliability needs.</p>
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