



December 21, 2018

IESO Stakeholder Engagement  
Submitted via email  
[engagement@ieso.ca](mailto:engagement@ieso.ca)

Dear IESO:

**RE: November 15 Demand Response Working Group**

Enel X (formerly EnerNOC) 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. Enel X 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. Enel X is pleased to provide comments on topics discussed at the November 15<sup>th</sup>, 2018 Demand Response Working Group.

**1. DR Test Activations**

During the session, IESO staff acknowledged that they will be reviewing the testing regime including the administration charges and moving to a 1 hour test. Enel X supports this review. Throughout 2018 Enel X and other DRWG participants have worked with IESO staff to develop the right market rule changes to ensure that the Hourly Demand Response (HDR) resource is available to the system operator in real-time and that it provides value to the overall electricity system. Although this meant changes to rules which will impact the preparedness and dispatch of contributors, the sector recognized the importance of the amendments. These changes included dispatching resource from 1 to 4 hours and having resources on standby more frequently. Enel X is supportive of having this change occur in advance of the May 1<sup>st</sup> 2019 commitment period.

The benefits from these changes will impact the system, but should also flow through to the customers. This includes changing the testing regime to match the hours of dispatch. As expressed by members of the DRWG throughout 2018, there is no added value to the IESO for having a test to the maximum dispatch length (4 hours), but the cost to customers who have to shut down for 4 hours is substantial. The IESO uses this test to determine the ability to follow dispatch instructions and demonstrate ability to curtail/meet commitment. This can be done through a 1 hour test.

Enel X recommends that while the IESO is making changes to Market Manuals, Part 7.3 of Market Manual 7 –Outage Management also be amended to reflect that testing should be from 1 to 4 hours, similar to a dispatch.

Customers who participate in the DRA, whether through an aggregator or as a dispatchable load, believe in the value of the DRA and are more than willing to curtail their loads and change their



operations as the system requires, based on the rules. However, the curtailment needs to serve a purpose and having businesses in Ontario idle for more than 4 hours when it does not provide any information. Load reductions on a \$/MWh basis cost well in advance of the \$2,000/MWh price cap currently imposed by the IESO in the real-time energy market. This translates into costs in excess of \$5.6M per test that the IESO calls for four hours, up to twice per capability period.

The testing section of Market Manual 7 – Outage Management, Part 7.3 Section 4.2.4 Demand Response Resources should be amended to reflect the changes made to Market Rule Chapter 7, Section 19 sub-sections 19.4.2 and 19.4.4:

19.4.2 - “If an *hourly demand response* resource has a day-ahead *schedule of record* or a *pre-dispatch schedule* less than the resource’s total *bid* quantity, or if the applicable pre-dispatch shadow price for an *hourly demand response* resource is equal to or greater than the standby notice price threshold, determined by the *IESO*, for **at least one hour** during the *dispatch day* availability window, the *IESO* shall issue a standby notice to the applicable *demand response market participant* by 07:00 EST in accordance with the applicable *market manual*.”

19.4.4 “The *IESO* shall issue an activation notice to a *demand response market participant* ahead of the activation period, in accordance with the applicable *market manual* if a standby notice has been issued in accordance with section 19.4.2 or a *demand response market participant* has not removed their *bids* in accordance with section 19.4.3, and the applicable *hourly demand response resource* has a *pre-dispatch schedule* less than the resource’s total *bid* quantity for **at least one hour** during the *dispatch day* availability window.”

## 2. DR Registration Update

Enel X supports the proposed changes for the Record of Installation and the Single Line Diagram as outlined at the WG.

Enel X does not support the changes to Record Retention. As discussed at the DRWG meeting, it will be a business process change for Aggregators to collect and retain monthly LDC statements. One which will be a massive undertaking since Aggregators may have hundreds of customers. Currently, statements are only required during the audit process. Since the IESO staff have advised that the audit process will be reviewed at a future DRWG, Enel X recommends that this change not be implemented until the review is completed with Market Participants and the new audit process has been completed.

Enel X recommends that the IESO defines the data accuracy comments and then let the market figure out the solution.

Enel X looks forward to further discussion on the use of KYZ pulse data including guidelines on how and when KYZ pulse data will be acceptable. For example, there are some instances where data has now become unavailable because the customer’s utility moved their meter onto a private server



and is refusing to provide interval data. These customers are being denied access to the markets because of the current lack of guidelines from the IESO on what is admissible for KYZ pulse measurement data.

### **3. DR Work Plan 2019**

Enel X supports the following elements for the 2019 Work Plan:

- Review of DR Testing Regime
- Audit Process Review – including measurement data submission process
- DRA Transition to the ICA
- Participation of Load in the Day Ahead Market
- Unforeseen impacts due to the Operational Changes in 2019

Enel X would also welcome a discussion on the potential to allow multiple aggregations in a given zone. This change could ensure better efficiencies at the aggregation level for the portfolios.

### **4. DR in the ICA**

Enel X looks forward to providing input into the questions posed on the ICA and participation in the Industrial Conservation Initiative at the upcoming DRWG.

Yours truly,

A handwritten signature in blue ink, appearing to read "S. Griffiths".

Sarah Griffiths  
Enel X