

Demand Response Working Group

August 2019: Response to Stakeholder Feedback on Testing of Hourly Demand Response (HDR) Resources Proposal

Following the June 19, 2019 Demand Response Working Group (DRWG) stakeholder meeting, the IESO invited stakeholders to provide comments and feedback to help advance efforts of the group. The IESO received feedback from:

AEMA
AMPCO
Rodan Energy Solutions

This feedback has been posted on the IESO [DRWG webpage](#).

Note on Feedback Summary

The IESO appreciates the feedback received from stakeholders on the Testing of HDR Resources – Proposal. This stakeholder feedback, along with the comments provided at the stakeholder engagement sessions, is important to the collaborative approach the IESO has committed to. All feedback received has been noted and will be considered as the work of the DRWG moves forward. Below, the IESO has provided a summary table which outlines responses in respect of specific feedback or questions for which an IESO response was required at this time.

Stakeholder comments and IESO responses to Testing of HDR Resources – Proposal

Design Element / Issue	Stakeholder	Feedback	IESO Response
Testing of HDR Resources - Proposal	AEMA	<p>AEMA supports the proposal to reduce the 4 hour test requirement if “HDR resources successfully demonstrate performance through a 4 hour test or in market activation”.</p> <p>If the IESO is to maintain discretion to increase the test duration back up to the 4 hours at any time, then AEMA members ask that a discussion take place in advance of a test between the IESO and the market participants to ensure an understanding of the reasons for a 4 hour test.</p>	<p>Thank you for the feedback. The IESO has taken these comments into account and will present a proposal and rationale at the next DRWG meeting scheduled for September 4, 2019. Materials can be found here.</p>
	Rodan Energy Solutions	<p>Rodan supports the proposal for reduced testing hours for resources that have previously demonstrated their capability to the IESO. Rodan further suggests that market rules and manuals state clearly what actions will be taken under specific circumstances to avoid conflicting interpretations in the future. (e.g. minimize the use of phrases such as “the IESO may...” to reduce potential ambiguity as to what the IESO will do).</p> <p>As noted during the June 19 DRWG meeting, Rodan takes issue with the IESO methodology for comparing HDR with the testing success of other resources. In particular, the comparison between dispatchable loads and HDR in point 2,</p>	<p>Thank you for the feedback. The IESO has taken these comments into account and will present a proposal and rationale at the next DRWG meeting scheduled for September 4, 2019. Materials can be found here.</p>

Design Element / Issue	Stakeholder	Feedback	IESO Response
		<p>sub point 2 of slide 24 of the presentation is not a fair one, since the testing for dispatchable loads is markedly different (e.g. the average of 3 intervals for DL, versus all intervals for HDR).</p> <p>DRWG participants are in general agreement that there is a need to show better test results. Understanding the root causes of failure should include comparisons to non-DR resources that are tested using comparable M&V, be they dispatchable loads in our own province or demand response resources in other jurisdictions.</p> <p>In the larger context, Rodan would like the IESO to consider the general applicability of using the 5-minute interval test to indicate the quality of the resource:</p> <ul style="list-style-type: none"> • Does the current HDR interval test provide a meaningful measure of capacity or capability? Obviously, a resource that cannot deliver is less valuable than one that can. However, it does not follow that a resource that has one or two low intervals is completely without utility. The current rules suggest a resource that misses a single 5-minute interval over 4 hours has the same operational value as a resource that misses them all. There must be a reasonable benchmark that makes sense. • For demand response, interval performance is 	

Design Element / Issue	Stakeholder	Feedback	IESO Response
		<p>computed by comparing the load against calculated hourly (average) baseline values. Rodan would be interested to hear the IESO's comments on the legitimacy of comparing instantaneous 5-minute interval load data against a 1 hour computed baseline to indicate performance.</p> <p>Rodan's position remains that resource testing is necessary and justifiable when conducted in a reasonable fashion. However, we believe that an hourly metric is far more meaningful as a capacity test, and that while interval performance should carry a reliability penalty, it should not be used in the manner it is being used currently to determine overall compliance.</p>	
	AMPCO	<p>AMPCO fully supports the testing approach being proposed by the IESO. However, as noted in AMPCO's submission on the IESO's alternative load pricing design, hourly demand response still requires some attention from a pricing perspective.</p>	<p>Thank you for the feedback. The IESO has taken these comments into account and will present a proposal and rationale at the next DRWG meeting scheduled for September 4, 2019. Materials can be found here.</p>