

Demand Response Working Group – Feedback Form

Webinar Date: July 29, 2019

Date Submitted: 2019/08/07	Feedback provided by (optional): Company Name: Advanced Energy Management Alliance Contact Name: Katherine Hamilton Phone: [REDACTED] Email: [REDACTED]
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Following the July 29 webinar of the Demand Response Working Group (DRWG), the Independent Electricity System Operator (IESO) is seeking feedback from participants on questions posed during the presentation. The presentation can be accessed from the DRWG engagement [webpage](#).

Please provide feedback by August 6, 2019 to engagement@ieso.ca. To promote transparency, this feedback will be posted on the DRWG engagement webpage unless otherwise requested by the sender.

Section	Question/Topic	Stakeholder Feedback
HDR Out-of-Market Activation Payments	Proposal to provide payments to compensate HDR when activated out-of-market for: Capacity-based test activations and Emergency Operating State Control Action activations	<p>AEMA members fully support the IESO staff proposal to compensate HDR resources when they are activated out of market – capacity based test activations and Emergency Operating State Control Action activations. AEMA appreciates that the IESO recognizes that failure to compensate DR resources for the value they provide to energy markets in the same manner as compensation is afforded to generation resources for the they value they supply to energy markets, will lead to discriminatory behaviour of the market.</p> <p>However, AEMA do not agree that the payment for these two activations should be different since they both will occur out of merit and therefore costs would be similar, theoretically speaking.</p>

		<p>The IESO recognizes that the proposed \$250/MWh will probably not cover participant curtailment costs. The IESO also indicated that the basis for the \$250 was the \$200 from CBDR with inflation, and that CBDR is not a similar program. Therefore, there really is no basis for the \$250. Unlike generators who are compensated for incremental costs incurred for testing, loads will incur losses. Trying to accurately value these losses will be an extremely difficult exercise, so in lieu of this, In order to reduce the impact on the market, and loads during testing we propose that loads be paid \$250/MWh, but be permitted to schedule their own tests, within reasonable agreed upon parameters. AEMA members have long advocated for the ability to schedule capacity tests similar to other jurisdictions/markets.</p> <p>Once again, AEMA members want to reiterate support for this proposal and look forward to continuing discussions with IESO staff to enable compensation of out of market activations in time for the Transition Capacity Auction.</p>
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General Comments/Feedback:

Use of Webinar: Although AEMA recognizes that this policy proposal was presented within quick timelines compared to other topics, and recognizes that DRWG members were supportive of moving forward with this proposal in a timely manner, AEMA members support in-person meetings (with an webinar option) to ensure dialogue and discussion can actually occur in a meaningful way.

AEMA is a North American trade association whose members include distributed energy resources, demand response (“DR”), and advanced energy management service and technology providers, as well as some of Ontario’s largest consumer resources, who support advanced energy management solutions due to the electricity cost savings those solutions provide to their businesses.