

Demand Response Working Group – *Feedback Form*

Meeting Date: September 4, 2019

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| Date Submitted: 2019/09/19 <i>M&V and Testing</i> | <u>Feedback provided by (optional):</u> Company Name: AEMA Contact Name: Katherine Hamilton Phone: (202) 524-8832 Email: Katherine@38northsolutions |
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Following the September 4, 2019 meeting 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 submit feedback to engagement@ieso.ca. To promote transparency, this feedback will be posted on the DRWG engagement webpage unless otherwise requested by the sender.

Agenda Item: Cost Recovery for Out-of-Market Activation Payments

Stakeholders are asked to review and provide feedback on the proposed market rule amendments and market manual concepts, to enable out-of-market activation payments, by **September 11, 2019**.

Please provide comments relating to the section of the draft amendment and concept proposal in the corresponding box below. Please include any views on whether the draft language clearly articulates the requirements for either the IESO or market participants. Please provide any alternative language by inserting the draft language below and red-lining the suggested changes.

| MR Chapter | Design Element (MR section) | Stakeholder Comments on Amendments |
|------------|--|------------------------------------|
| 7 | System Operations and Physical Markets | |
| 9 | Settlements and Billing | |

| MM | Design Element (MM section) | Stakeholder Comments on Concepts |
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| 5.5 | Physical Markets Settlement Statements | |
| 7.3 | Outage Management | |
| 12 | Capacity Auctions | |
| | IESO Charge Types and Equations | |
| | Format Specifications for Settlement Statement Files and Data Files | |

Stakeholder comment is requested on the following IESO directed questions that will be forwarded to Technical Panel for their consideration in the recommendation of market rules to the IESO Board of Directors:

| Question | Stakeholder Comment |
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| Do you believe there is a clear and common understanding of the intent and purpose of the draft market rule amendment? | |
| In your view, is this market rule amendment in the interest of consumers with respect to prices? | |
| In your view, is this market rule amendment in the interest of consumers with respect to the reliability of electricity service? | |
| In your view, is this market rule amendment in the interest of consumers with respect to the quality of electricity service? | |
| In your view, are there any adverse effects (not identified in a previous answer) that may be caused by implementing these proposed changes, either to consumers or market participants? | |
| General Comments: | |

Other Agenda Items:

Feedback on all other agenda items is requested in the form below.

| Agenda Item | Question/Topic | Stakeholder Feedback |
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| Estimates of Demand Response Potential in Ontario | <p>Please provide feedback by September 11, 2019</p> <p>DRWG members interested in participating in a one-on-one meeting with the IESO to discuss demand response potential are asked to identify their interest.</p> | |
| HDR Resource Testing - Proposal | <p>Please provide feedback by September 18, 2019</p> <p>Seeking stakeholder feedback on the proposal</p> | <p>Based on the understanding of the proposal for HDR Resource Testing, AEMA supports the proposed changes that establish eligibility for shorter test duration. However, AEMA is willing to continue to have discussions with IESO staff at the DRWG to ensure that the testing regime meets the needs of the IESO, while not adding additional and unnecessary costs to the DRMP and their contributors.</p> <p>Our understanding of the proposals:</p> <ul style="list-style-type: none">• Settlement of event day will remain unchanged• Participants are: a) eligible for a 1-hour test going forward; and b) will not be tested again in the period if the most recent 4 hour test was $\geq 85\%$ of the full capacity obligation (i.e. the amount cleared in the auction within deadband).• Once qualified for the 1 hour test, failing to achieve 85% of the full capacity obligation in a subsequent test will result in going back to a 4-hour test duration. |

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| <p>M&V/ Data Submission - Proposal</p> | <p>Please provide feedback by September 18, 2019</p> <p>Seeking stakeholder feedback on the proposal</p> | <p>AEMA appreciates and supports the IESO in moving forward with proposals on M&V/Data submission based on the comments from DRA market participants over the last few delivery periods. Overall AEMA members are striving to ensure the most efficient balance is created between the data needs of the IESO and those of the DR market participant.</p> <p>Proposal #1: Measurement Data Submission Process AEMA supports moving to data submission for activation months only. AEMA recommends that there be a 60 day requirement for collecting and submitting measurement data for months in which there was not an activation. AEMA also recommends that the same VEE methodology be applied to this data for activation months as when measurement data needs to be estimated.</p> <p>Proposal #2: VEE Process – issues outside control of DRMP AEMA supports a process to handle external factors preventing the receipt of measurement data; however AEMA does not support the proposal to use a contributor’s peak consumption as the measurement of their ‘load reduction’ during an activation. This is overly punitive as it will in most cases result in a vastly negative contribution to the resource’s measured load reduction.</p> <p>Given that the measurement data can be unavailable for reasons outside of a DRMP’s control, AEMA proposes a VEE process of submitting ‘zero kWh’ for the contributor in question during both the baseline window and the activation window. This would ensure that the contributor provides no contribution to the measured load reduction during activation rather than a vastly negative contribution. DRMP’s should be expected to manage this risk accordingly when registering</p> |
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| | | <p>contributors to meet a Capacity Auction obligation.</p> <p>Proposal #3: DR Audits To allow businesses to move forward, the IESO should adopt a policy of conducting audits within one year of a given settlement month. After this time, outside of an investigation, settlement periods should be considered final.</p> <p>AEMA continues to oppose the highly burdensome requirement of collecting LDC statements when LDC internal data should be sufficient for assessing the accuracy of submitted measurement data.</p> <p>IESO should solicit input on how to address the potential concerns with removing the requirement for an LDC statement as part of the audit. If a statement is to be used, AEMA is concerned that the method for calculating 'peak demand' employed by LDCs or by the IESO could result in an apparent discrepancy for data that is otherwise within the 1% tolerance threshold identified by the IESO.</p> <p>AEMA requests that before the audit process is finalized, that the IESO provide a full example audit to stakeholders (including data, statements, calculation etc.), to show exactly how measurement data will be assessed as having being within the tolerance threshold during an audit, including the implications if the tolerance threshold is found not to have been met. Without seeing an example of how IESO intends to apply the full proposed audit procedure, AEMA cannot support the IESO's Audit proposal.</p> <p>Proposal #4: Contributor Management Enhancements AEMA supports the removal of Record of Installation requirement.</p> |
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Other Comments/Feedback:

As noted in comments above, AEMA appreciates the willingness of IESO to bring forward proposals on measurement data submission process, VEE and the audit process. 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.