

# IESO Winter Briefing Demand Response Update



## TRANSITION PERIOD

*Building Experience and Learnings about Demand Response*

### Present

- DR3 with new market triggers
- ICI with expanded Class A eligibility (ongoing)
- Demand Response Auction Stakeholder Engagement (ongoing)

### 2015

- Q1 - DR Pilot Project RFP & timeline to be posted
- Q1 - High level design of DR Auction to be finalized
- Q2 - DR3 & Transitional Market Rules
- Q3 - Qualification process starts for the first DR Auction

### 2016+

- Delivery from first DR Auction
- DR Auctions (Ongoing)

- DR3: Dispatch now based on \$200/MWH price trigger
- Better alignment of DR3 with times of system need
- Includes local & emergency activations
- Transitional rules will allow DR3 to continue until the first DR auction delivery period
- Activations to be published on the IESO website
  - No DR3 activations this summer
  - Email subscription list to be notified of all DR3 activations at [www.ieso.ca/subscribe](http://www.ieso.ca/subscribe)



- Pilot Programs seek to:
  - Expand opportunities for DR to participate in the market
  - Realize greater value and economic use of DR resources
  - Examples: Unit Commitment, Load Following
  - RFP scheduled to be released in early 2015
  - For more information, please visit [www.ieso.ca/drwg](http://www.ieso.ca/drwg)

- New proposed market for Demand Response participation
  - Provides a competitive platform that can select from a wide selection of DR resources
  - Allows for the entry of new, cost-efficient providers
  - Provides the opportunity for innovative technologies to enter the market
  - Provides flexibility to respond to changing conditions
  - Provides an opportunity to create an additional revenue stream for your organization by curtailing load or unused generation capacity

- Will replace expiring OPA DR contracts
- DR providers submit their capacity offers
- Offers are stacked from lowest to highest cost and cleared against a demand curve representative of the target capacity need
- Stakeholders have provided feedback into the design elements and will continue to do so

## Demand Response Timeline

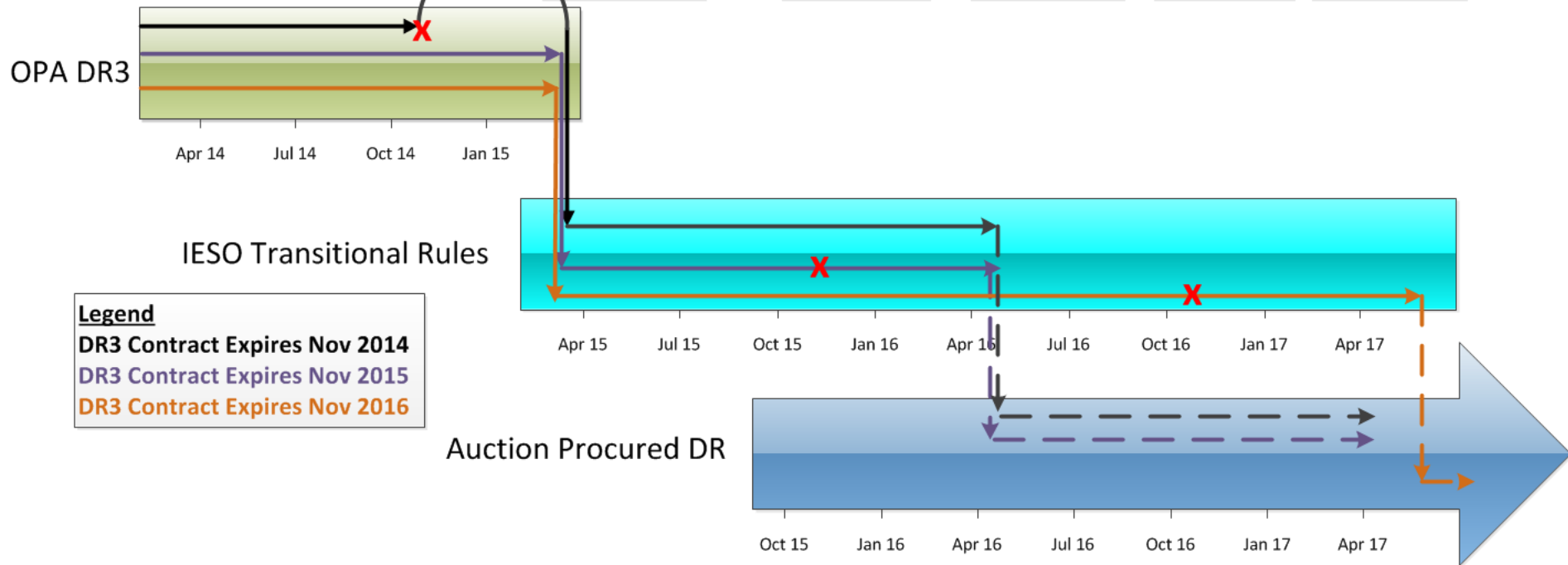
Mar 2015  
IESO  
Transitional  
Rules Go Live

Q4 2015 –  
Q1 2016  
1<sup>st</sup> DR  
Auction

May 2016  
Delivery Date  
of 1<sup>st</sup> DR  
Auction

Q4 2016 –  
Q1 2017  
2<sup>nd</sup> DR  
Auction

May 2017  
Delivery Date  
of 2<sup>nd</sup> DR  
Auction

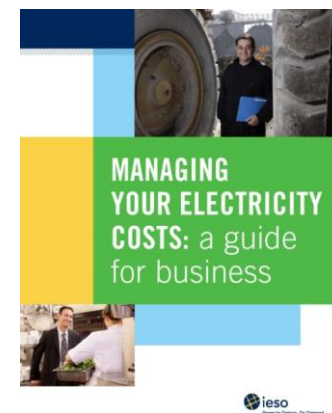


- Stakeholder Engagement:
  - Demand Response Auction
  - Capacity Auction
- For more information, please visit [www.ieso.ca](http://www.ieso.ca)





- Demand Response Brochure
- ICI/GA Handouts
- *Managing Your Electricity Costs: A Guide for Business*
- *Electricity Insider* Newsletter
- Weekly Bulletin
- Website: [www.ieso.ca](http://www.ieso.ca)
- Questions?  
[stakeholder.engagement@ieso.ca](mailto:stakeholder.engagement@ieso.ca)



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