

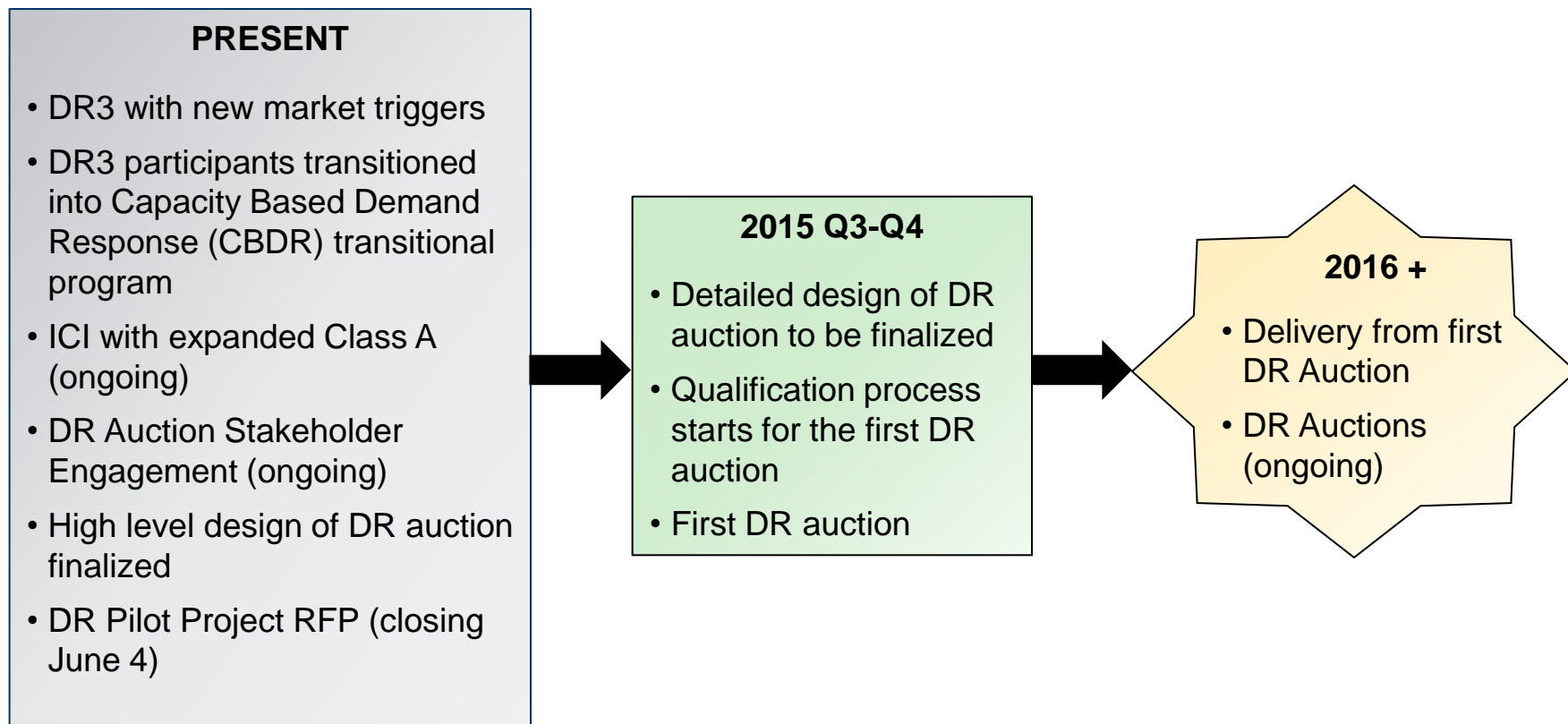
DEMAND RESPONSE UPDATE

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Forecasting for Demand Response

- For forecasting purposes in the 18-Month Outlook period, the IESO separates Ontario's five DR programs into two different categories:
 - 1. Demand measures:** Can be dispatched by the IESO in the same way as generators
 - Include peaksaver®, dispatchable loads and Capacity Based Demand Response (CBDR)
 - The actual impacts of these programs are added back to the demand and the forecast is based on demand prior to the impact of these programs.
 - 2. Load modifiers:** no IESO dispatch, dependent on customer behaviour
 - Include Time-of-use (TOU) pricing and the Industrial Conservation Initiative (ICI) The impact of TOU rates and ICI
 - Along with conservation measures, the anticipated effects of these programs are considered in the demand forecast

Demand Response Evolution



Demand Response Auction

- 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
- For more information, see <http://www.ieso.ca/Pages/Participate/Stakeholder-Engagement/Demand-Response-Auction.aspx>