



Power to Ontario. On Demand.

## IESO SENIOR MANAGEMENT UPDATE

To: Stakeholder Advisory Committee  
From: Ted Leonard, VP Markets & CFO  
Date: October 16, 2014  
**Subject: Demand Response Update**

Information Item

Since last reported to the Stakeholder Advisory Committee on August 20, 2014, the IESO has been working with stakeholders to further advance the integration of demand response (DR) contracts and implement ways to procure DR through the IESO market.

Below is a summary of the activities in the DR initiative.

### **DR 3 Transition**

There was a seamless transition of the Ontario Power Authority's DR3 program to the IESO in June. As part of that effort the IESO will be producing new reports in December to improve transparency of DR3 dispatch to all market participants.

Further to that, the transition of DR3 contract terms and conditions to market rules and manuals were recommended for approval by the Technical Panel and will be presented to the IESO Board for approval on November 13, 2014. The recommended implementation dates for the new rules are December 5, 2014 for authorization and prudential elements and March 4, 2015 for the balance of the rules. This change will allow participants with expiring DR3 contracts to continue to provide DR3 until the delivery date of the first DR auction.

### **Demand Response Pilots**

Rule amendments to enable Demand Response pilots were recommended for approval by the Technical Panel and will be presented to the IESO Board for approval on November 13, 2014. The recommended implementation dates for the enabling rules is December 5, 2014.

The two types of pilots under development are for Unit Commitment and Load Following services. An RFP to procure approximately 100 MW of DR providing these services will be issued in late January 2015.



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### **Demand Response Auction**

A stakeholder engagement initiative to develop a Demand Response Auction met for the first time on October 1. The auction is intended to procure DR in the latter half of 2015 to ensure that the megawatt amount of DR in Ontario remains consistent with what it is today. As DR contracts expire, that capacity will be replaced through DR auctions.

Subsequent stakeholder sessions are expected roughly every three weeks for the balance of the year as we work towards posting a draft design for stakeholder comment by mid-December.