

**IESO SENIOR MANAGEMENT UPDATE**

To: Stakeholder Advisory Committee

From: Ted Leonard, Vice President, Markets, CFO and Treasurer

Date: March 13, 2014

**Subject: IESO Activity Update on Demand Response**

Information Item

The IESO has launched the Demand Response (DR) Working Group to further develop DR initiatives to help achieve the target from the Long Term Energy Plan: to use Demand Response to meet 10% of peak demand by 2025, equivalent to approximately 2,400 megawatts (MW) under forecast conditions.

The IESO recently carried out a call for membership, and announced the selected members on Thursday, March 4. Membership includes representatives from industrial loads, aggregators, technology providers, local distribution companies, the municipal and commercial sectors and the Ontario Power Authority.

The first meeting will be held on April 3 and will focus on educating members on the issues and opportunities related to demand response in the IESO administered markets as well as to outline the work that the IESO and OPA have undertaken to integrate existing contracted DR (DR3) into the market. Going forward, the Working Group will assist the IESO in understanding the technical capabilities of and roles for demand response, which will be used to inform the development of one or more DR pilot initiatives.

Interest in participation for this group was high among market participants, so the IESO is planning a number of open sessions to gather input for the initiatives being developed by the Working Group. The open sessions will also cover the broader discussion of issues related to DR evolution such as market integration and the design and implementation of market mechanisms for DR participation.

The first of these public sessions will be held in conjunction with the first working group meeting. The working group is expected to meet monthly, with open sessions held regularly.