

DR Terms of Reference Comments

Carmine DiRuscio
NRG Matters Corp.

NRG Matters would like to thank the IESO for the opportunity to comment on the future plans for the DR working group. NRG Matter's CEO has been involved in this area of the sector for 15 years. He started by developing an LDC driven DR program to reduce the LDCs demand costs from the old Ontario Hydro. He developed rate approved programs that would allow the LDC to reduce demand through dispatch mechanisms for water heaters and air condition loads. They currently serve over 30 large consumers in helping them reduce loads through the ICI program.

There has been considerable effort on behalf of IESO and the previous DRWG in establishing a successful integration of Demand Response into the IESO administered markets and launch the DR Auction. These efforts have secured between 400-600MW of load for 2016. NRG Matters has gained considerable insight through participation in the original DRWG and we fully support the IESO efforts in these matters.

NRG Matters understands the challenges the IESO faced with having an aggressive target of 2,400MW by 2025. We feel we can continue to support and contribute to the DRWG through this new phase of development of DR programs.

Though the auction process has been successful and it may not be able to deliver on the government targets alone, without some enhancements. is not the only methodology that should be considered in procuring DR load in Ontario. The DR auction relies heavily on the participation of wholesale customers and DR aggregators in the market. With the limited amount of aggregators in the Ontario market it will remain difficult to reach the smaller consumers that will be required to participate in order to meet the provincial targets.

We believe the DRWG would benefit by exploring the framework of DR programs in other markets where DR has had success. The DRWG may consider adopting some of these strategies, keeping in mind that some business in Ontario are already participating in these programs in other jurisdictions. It would make it easier for these same businesses to participate in our markets if they are familiar with the framework of the program. We also believe we should examine markets where DR has had limited success in order to avoid making similar mistakes. At minimum it would help us understand what pitfalls should be avoided in the development of future programs.

Another area worthy of discussion remains the role of LDCs in provided DR assets to the wholesale market. With an understanding there are regulatory issues that may need to be overcome and albeit outside the scope of the IESO, it would allow the DRWG to identify and explore assets that maybe underutilized while also identifying limitations to the future growth for DR.

Some goals the DRWG may consider could include the following:

- Define a set of standard DR Programs and the characteristics of the most popular and successful DR programs implemented to date across North America

- Identify barriers to participation by consumers other than the ones currently engaged in the DR programs
- Identify and Provide tools that allows for and expanded DR market. This may include the simplification of some programs and the ability for smaller consumers to offer capacity into the market.

NRG Matters would welcome the opportunity to continue to participation in the working group