



July 29, 2016

IESO
Demand Response Working Group

RE: Comments on Demand Response Working Group July 15, 2016 Materials

Thank you for the opportunity to provide comments on the IESO's proposed approach described in the July 15 meeting of the Demand Response Working Group (DRWG). PowerStream is pleased to note the progress made to date on incorporating residential demand response into the IESO's Demand Response Auction and recognizes that decisions need to be made to allow potential bidders to participate in the auction in December 2016.

PowerStream broadly supports the points made in the joint submission by EnergyHub, Nest Labs, Opower, and Weather Bug Home to IESO on the challenges and proposed solutions for residential loads to participate in the 2016 Demand Response auction. In particular, the distinct characteristics of the residential customer (e.g., hourly data, small contributors, hourly data, dynamic populations) must be recognized. However, given the opportunity presented by this sector, these characteristics should be embraced for the value they can bring to the electricity system.

While the majority of residential curtailable load is weather-sensitive, it should be noted that there is an opportunity for non-weather sensitive residential demand response to participate as well, especially in future years (e.g., customers with battery storage or electric vehicles). Rules for residential demand response should not limit the opportunity for these types of loads to provide their full value simply on the assumption that all residential demand response is weather sensitive.

With respect to baselines, the methodology should be transparent and reproducible, so that the value of the resource is predictable. Depending on the selected methodology (-ies), analysis of impacts may take an extended period of time. Analysis of impacts should be sufficiently timely that future bids into the DR auction can be adjusted.

PowerStream would like to bring the IESO's attention to the fact that a portion of its residential customers are on a variable peak pricing program, Advantage Power Pricing. In 2017, additional pricing pilots may be implemented across Ontario through the OEB's RPP Roadmap process. Depending on the baseline methodology chosen, it may be relevant to include the price-day type and/or TOU type/period as a variable in the matching calculation.

Many of the customers in Advantage Power Pricing also have ZigBee-enabled smart meters that can relay more granular demand data through certain models of smart thermostats. While this level of granularity cannot be provided for all participants, these data may be useful for validating results and PowerStream would be happy to support IESO efforts to develop and validate baseline methodologies using this resource.

Thank you for the opportunity to provide comments.

Yours truly,
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