Demand Response Working Group (DRWG) Meeting Notes

Date held: September 30, 2016	**Time held:** 10:00 am – 12:30 pm	**Location held:** Webinar
Company Name	**Attendee**	**Attendance Status** (A)ttended; (R) Registered; (S)ubstitute; (TC) Teleconference; (P) Presenter
Registered to attend via teleconferencing:		
City of Toronto	Koff, Chaim	TC
City of Toronto	Poto, Angelo	TC
Customized Energy Solutions	Chintapalli, Raj	TC
Customized Energy Solutions	Pisarcik, Dave	TC
Energy Curtailment Specialists	Moore, Michael	TC
Energy Curtailment Specialists	Merlina, Betty	TC
David Forsyth	Gerdau	TC
Ministry of Energy	Qureshi, Musab	TC
Nest Labs	Amaral, Utilia	TC
NRG Curtailment Solutions, Inc.	Pieniazek, Marie	TC
OhmConnect	Duesterberg, Matt	TC
OhmConnect	Kooiman, Brian	TC
Resolute Forest Products	Degelman, Cara	TC
Rodan Energy Solutions	Goddard, Rick	TC
Rodan Energy Solutions	Quassem, Farhad	TC
Rodan Energy Solutions	Patterson, Sarah	TC
Tembec	Laflamme, Serge	TC
Toronto Hydro-Electric Services Limited	Simpson, Jack	TC
Consultant	Francoz, Jeffrey	TC
Pat Kamstra	IESO	P
Ali Golriz	IESO	P
Jason Kwok	IESO	P
Meeting Chair: Gordon Drake, Supervisor, Market Development, IESO Facilitator: Ryan King, Market Relations, IESO Scribe: Anna Lafoyiannis, Market Development, IESO Please report any corrections, additions or deletions to: engagement@ieso.ca		

All meeting material is available on the IESO web site at:

http://www.ieso.ca/Pages/Participate/Stakeholder-Engagement/Working-Groups/Demand-Response-Working-Group.aspx

Item 1
Gordon Drake of the IESO presented a review of the Pre-Auction Report for the 2016 DR Auction. This report is now available on the IESO website and DR participants can submit their capacity for qualification in each zone until October 31, 2016. The IESO indicated that the Target Capacity has increased from last year, consistent with the Target Capacity proposal presented at the July DRWG meeting. There were no changes to the zonal limits or the reference price.

Member Questions and Comments, *with the IESO's response in italics*:
No comments were provided.

Item 2
Jason Kwok of the IESO presented an update on the DR Capacity Obligation transfer proposal. This included an overview of the changes required for market rules, market manuals and reports and an update on the implementation of the proposal. The Technical Panel has voted to recommend the Market Rule amendments to the IESO Board for approval. The Market Rules and Market Manuals related to DR Obligation Transfer proposal are expected to become effective in mid-January.

Member Questions and Comments, *with the IESO's response in italics*:
No comments were provided.

Item 3
Gordon Drake of the IESO presented an update on the Target Capacity proposal and the Commitment Period material that was presented at the last DRWG meeting. The stakeholder feedback has been supportive of the IESO's proposal to increase Target Capacity by 7% per year in order to meet the LTEP target. On the review of Commitment Period length, the stakeholder feedback received was supportive of maintaining the current 6-month Commitment Period.

Member Questions and Comments, *with the IESO's response in italics*:
An attendee asked if there is any impact on the growth targets due to the cancellation of the Large Renewable Procurement (LRP II).
The IESO responded that there is no change in policy with respect to DR at this time and the IESO has received no change in direction.

An attendee asked for clarification for the jump in DR target between 2020 and 2021.
The IESO responded that this jump is due to the expiry of the Peaksaver Plus program and its expected transition to the Demand Response Auction at that time.

An attendee asked for information on how the Peaksaver transition will work.
The IESO responded that the transition plan is still being determined and more information will be made available at future DRWG meetings.

An attendee commented that though they hadn't provided written feedback since the July 15th meeting, they felt that there was merit in revising the existing commitment period length and that some participants may prefer multiple length terms.
The IESO thanks the participant for their feedback and requested that if other stakeholders shared this view, the IESO would welcome them to submit written comments for future discussion. The IESO noted that the last DR Auction utilized 6-month commitment period terms and was able to grow DR Capacity in the province at a lower cost than historical contracts.

Item 4
Ali Golriz of the IESO provided information on the Brant Area Regional Demand Response RFP that will be posted on the IESO website this fall.
Member Questions and Comments, *with the IESO's response in italics*:
No comments were provided.

Item 5
Pat Kamstra of the IESO presented a proposal for an alternative baseline for Residential Demand Response. The purpose of the residential baseline is to provide a better estimate of load of residential contributors as the current historical baseline methodology does not capture the unique consumption characteristics of residential consumers. The proposal seeks to facilitate the participation of residential load in demand response, measure with reasonable accuracy the delivery of demand response and balance administrative requirements of the design with the need to maintain auditability. The IESO considered a number of baseline alternatives and is recommending the use of randomized control trials (RCT) with a same-day adjustment. For residential DR, the IESO will accept meter data on an hourly granularity from smart meters. The IESO requested stakeholder feedback on a methodology in setting the control group size and the RCT proposal in general. It was also noted that Demand Response Auction Participants who are intending to provide DR with residential consumers will need to make sure that this is documented in their curtailment plan submitted as part of the capacity qualification process.

Member Questions and Comments, *with the IESO's response in italics*:
An attendee asked if the proposal requires interval data and if so, how aggregators would acquire interval data.
Yes, for residential DR resources, interval data from residential smart meters would need to be submitted for days on which there is a DR event. To acquire this data, aggregators would likely need to partner with an LDC to meter data while ensuring that customer privacy and consent requirements are adhered to.

An attendee asked for clarification on the purpose of the same-day adjustment and its impact to participants who pre-curtail. The attendee also stated that a same-day adjustment could also create a positive bias to the baseline if a resource pre-cools ahead of a DR activation.
The IESO clarified that DR, regardless of whether it is provided by residential, commercial, industrial or institutional consumers, is a system tool used to effect an incremental change in load when the IESO schedules it. The IESO expects energy bids to be reflective of incremental capability to reduce consumption and by pre-curtailing ahead of a DR event, that incremental capability has been diminished. Since IESO scheduling tools rely on accurate assumptions about resource availability, this pre-curtailment can cause reliability issues. The proposed same-day adjustment for RCT is consistent with the in-day adjustment applied to existing C&I resources. With respect to bias from pre-cooling, the adjustment window does not include the hour prior to an activation. According to stakeholder feedback, residential pre-cooling only impacts the hour before an activation, which would not impact the baseline.

An attendee agreed that the in-day adjustment window should take pre-curtailment into consideration.

An attendee asked whether the data submission is required monthly or only the day when DR is dispatched.
Contributor management data will be required each month but meter data is only required for the day of a DR event.

An attendee commented that waiving the monthly meter data submission requirements raises a concern about fairness between C&I and residential resources.
The randomized control trial approach does not depend on the same volume of historical data and thus it is not necessary to collect this information in order to form a proper baseline. Further, the contributor base for residential DR is large and homogenous, whereas individual contributors in a commercial and industrial DR portfolio can have significant impacts on the accuracy of the baseline.

An attendee asked how a participant would randomize the control group?
The IESO proposes that an approved randomizer tool would be used to select the control group. As an example, the random function in Microsoft Excel could be used to select the control group from the larger population.

An attendee asked whether net metering customers would be excluded from participating in the auction.
The IESO confirmed that net meter customers can be included in the DR Auction but that there were not yet processes to specifically account for them within the baseline.

An attendee asked whether a premise ID will be required and whether this was available for residential customers.
The IESO responded that this is required, available and could be provided by an LDC.

An attendee asked whether the Single Line Diagram and Record of Installation are required.
The IESO responded that the Single Line Diagram and Record of Installation are not required for residential contributors.

An attendee asked for clarification on the requirements for participant agreement and consent.
The IESO requires aggregators to get consent from each residential contributor to use their residential meter data for the purposes of the DR program. This ensures that the IESO has the necessary permissions to use the data, as this data is owned by the customer. The LDC's agreement may not be sufficient, as they are not the owner of the data and cannot repurpose the data they received from their customers for another purpose, besides billing, without customer approval. The format for providing the authorization to a third party for access meter data is not yet determined and will be discussed in future meetings.

An attendee asked whether control groups are static or dynamic over the course of a commitment period.
The control groups are dynamic, and will change on a monthly basis, as this ensures better data auditability and reduced bias.

An attendee asked for the rationale for removing the requirement for a Record of Installation for residential consumers, and whether the IESO would consider removing this requirement for commercial and industrial loads
The IESO committed to review the question and provide a response after consulting with subject matter experts. The IESO's response provided after the meeting is as follows:

Residential smart meter data is derived from standardized, Measurement Canada-approved metering technology, the integrity of which is ensured by LDCs. For this reason, the IESO does not require the Record of Installation for these types of contributors to verify and validate meter data submissions.

Since a number of different parties have access to C&I meter data directly, this necessitates the IESO's verification of the meter data in order to ensure confidence in its accuracy and ensure settlement-ready data. This verification utilizes the Record of Installation (ROI) information, including the "meter multiplier" and "Notice of Approval number", to validate the metering equipment and its output. Therefore, the requirement to provide the Record of Installation information remains necessary for C&I contributors.

An attendee asked whether the offer in the DR Auction should account for the control group.
The offer into the DR Auction should reflect the capacity available for DR. Since the control group will not reduce its consumption during a DR event, it should not be reflected in the capacity offered into the auction.

Wrap-Up and Next Steps
Ryan King of the IESO thanked all participants and requested that stakeholders submit any questions and feedback by October 14 to engagement@ieso.ca.