

UPDATE ON DR CAPACITY OBLIGATION TRANSFER

Demand Response Working Group
Meeting #4

September 30, 2016

Objective

- This presentation provides an update on the DR Auction Capacity Obligation Transfer proposal

Proposal

IESO Proposal: A DRAP may transfer all or part of their DR Capacity Obligation to another DRAP

Conditions:

- Transferee may only receive a Capacity Obligation up to the quantity of qualified capacity for that Commitment Period for that zone/type that they did not clear
- Transferee must satisfy deposit/Prudential requirements
- Transfer must:
 - **be initiated prior** to the start of the Capacity Obligation's Commitment Period
 - be for capacity that is of the same type (physical/virtual) and zone
 - leave both transferor and transferee with either 0MW or at least 1MW in DR Capacity Obligation to allow for energy market participation

Market Rule and Market Manual Impacts

- Market Rule and Manual changes will be required to facilitate the transfer of DR Capacity Obligations from one DR Auction Participant to another. The amendments will:
 - Allow us to treat a DRAP that receives a DR Capacity Obligation through transfer in the same way as a DRAP that clears the DR Auction
 - Enable the transfer of a DR Capacity Obligation, outlining the conditions of transfer and the new obligations placed on the IESO/DRAPs
 - Amend the publishing requirements to reflect the changes presented in the transfer proposal
 - Amend the DR Deposit and/or Prudential obligations

Proposed Implementation Timeline

