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RE: DEMAND RESPONSE WORKING GROUP – SEPTEMBER 30, 2016

Thank you for the opportunity for Rodan to participate in the ongoing development and refinement of demand response in Ontario. Rodan has several thoughts with respect to the Demand Response Working Group meeting held on September 30.

Auction Delivery Period Length (from previous session and comments)

As Rodan and others have proposed in previous sessions, the IESO should consider offering a choice of 1 or 5 year terms (as was available in DR3/CBDR). Recent comments and previous submissions reflect that some contributors desire short term agreements due to business uncertainty. However, they also show that other contributors prefer longer terms to allow them to cover investments in equipment and training, and for budgetary certainty. Within a 5-year term, aggregators can also offer flexible alternatives to participants who may want the best of both worlds – the reassurance of renewing yearly commitments but with certainty of revenue levels.

The IESO's stated conclusion was that based on feedback, the current two-season, one-year term is the preferred choice. This position does not appear to be fully supported by the published comments from the prior DRWG session alone. Of the 9 respondents, one was in favour of longer terms, one was in favour of shorter terms and the remaining 7 offered no comments on term length. This suggests that the complexity of implementation may have been the determining factor. Rodan asks the IESO to consider that any decision on offering longer delivery periods should be predicated on cost-effectiveness and the value it brings to the market; not how easy or difficult it is for the IESO to implement.

Residential DR – Alternative Baseline and Rules

Rodan applauds the streamlined approach being advanced by the IESO with respect to metering and compliance for residential loads wishing to participate in the DR auction. Of particular note:

- No Record of Installation is required for each participant site;
- No 5-minute interval data or performance clawbacks;
- No ongoing data submission requirements; event-based data submission

The current requirements of the auction registration system and the strict review of the associated technical documents represents a significant effort for C&I participants (particularly for aggregators, who must assemble this documentation from third parties, across hundreds of sites and multiple sources). Since most C&I participants are covered by LDC metering (as is residential), it makes sense that similar Record of Installation accommodations could be made for C&I metering as for residential. This would also ensure equal treatment in the marketplace.

Dispatchable Load (not tabled during DRWG)

In the lead up to the 2015 auction (and in subsequent meetings), the IESO disclosed that due to limitations of its internal systems, Dispatchable Load customers were prohibited from participating through an aggregator. These technical limitations could not be overcome in time for the 2015 auction, but the IESO was to address these deficiencies in the near future. Has the IESO resolved the technical issues that rendered the IESO incapable of registering Dispatchable Load resources to aggregators for the 2016 auction? If not, is there a timeline for doing so?

Re-enrollment (not tabled during DRWG)

Please describe the process by which aggregators will re-enroll resources and contributors that are currently enrolled in the 2016 auction for the 2017 auction.

Sincerely,

Rodan Energy Solutions Inc.