

Minutes of Meeting

Date held: April 3, 2014	Time held: 1:00 – 3:30 pm	Location held: Crowne Plaza Toronto Airport Hotel
Invited/Attended	Company Name	Attendance Status (A)ttended; (R)egrets; (S)ubstitute
Gnanam, Bala	BOMA Toronto	A
Loughren, Chris	Bruce Power Direct	A
Morris, Richard	City of Toronto	A
Dizy, Ron	Eco-Shift Power	A
Pieniazek, Marie	Energy Curtailment Specialists	A
Griffiths, Sarah	EnerNOC, Inc.	A
Forsyth, David	Gerdau Long Steel North America	A
Katsuras, George	Hydro One Networks	A
Roberts, Dan	Hydro Ottawa	A
Northey, Mark	Loblaw Companies Limited	A
Lundhild, Evelyn	Ontario Power Authority	A
Bourdages, Alain	Resolute Forest Products	A
Shervill, Paul	Rodan Energy Solutions Inc.	R
Goddard, Rick	Rodan Energy Solutions Inc.	A
Beaver, Chris	Sheridan College	A
Laflamme, Serge	Tembec	A
Marchant, Michael	Toronto Hydro Electric System Limited	A
Hilbig-Wright, Rhonda	IESO	R
Drake, Gordon	IESO	A
Doyle, Robert	IESO	A
Murray, Patricia	IESO	A
Duru, Josh	IESO	A
Bruno, Juliana	IESO	A
Observers		
Bell, Brian	Ontario Power Generation	TC
Butters, Dave	APPPrO	TC
Qureshi, Musab	Ministry of Energy	TC
Urukop, Vlad	Ontario Power Generation	TC
Scribe: Juliana Bruno, Market Development		
Please report any corrections, additions or deletions by email to: stakeholder.engagement@ieso.ca .		

All meeting material is available on the IESO web site at: www.ieso.ca/drwg

Meeting Objective:

The objective of the Working Group session is to outline the roles and responsibilities of Working Group members and how the Working Group will contribute to the proposed workplan.

Item 1 Overview of Demand Response Working Group (DR Working Group) Roles and Responsibilities

Robert Doyle of the IESO provided an overview of the Working Group roles and responsibilities. He also noted that observers will be listening over the phone and those observers will be identified in the meeting minutes.

Item 2 DR Working Group Workplan

Gordon Drake thanked everyone for attending the inaugural DR Working Group meeting and introduced the workplan. He also gave a brief summary of the morning session and stated that the IESO will continue to have public meetings where there are issues that will be relevant to the broader stakeholder community. He explained that the DR Working Group will be called upon to offer input and collaborate with the IESO on elements of the DR workplan.

Studying potential pilots is a major area of focus for the DR Working Group and the IESO would like to know what pilot opportunities may be available based on the operating capabilities of potential DR resources. There is an opportunity for members who are interested in forming a pilot subcommittee to do so by expressing their interest in an email to stakeholder.engagement@ieso.ca. The goal of the subcommittee is to align group member expertise in terms of DR capabilities and areas of system need so as to facilitate focused and collaborative discussion.

The mechanics, principles and potential benefits of a DR auction were explored as well as DR demonstration projects and the timeline for the Working Group. The timeline displays the topics that will be brought to the Working Group over the next few months and how these map to the Technical Panel process. The next Working Group meeting will explore a higher level design of what a DR auction might look like in Ontario. Additionally, the IESO will also present mock ups of the reports that relate to the DR3 Integration for the Working Group members if they are available.

Member Questions, Comments and Discussion, with the IESO's response in italics:

A member asked the IESO's thoughts on Peaksaver integration and if that is within the scope of the Working Group. *Currently Peaksaver triggers are not as easily transferred to a market dispatch as DR3 triggers. The IESO sees value in reflecting this dispatch in the market, and will work further with the OPA and LDCs.*

A member then asked the OPA who is responsible for a plan to support the integration of retail DR into the market. *Evelyn Lundhild, OPA replied that it has not been developed yet.*

Members were concerned as to whether there will be changes made to the pre-dispatch process in the event that dispatches do not materialize in real-time. *The IESO responded that changes to the pre-dispatch algorithm are not within scope of the Working Group. The use of pre-dispatch to trigger demand response has shown greater alignment between notifications and subsequent activations than was seen under the supply cushion approach. What will be considered is the opportunity for a more flexible response, such as a reduced activation period for more nimble demand response providers, to ensure that activation decisions are better aligned with real-time market outcomes.*

Item 3 Transitional Rules Development

Josh Duru of the IESO presented a high level overview of the market rule amendment process, goals for the transitional market rules for DR3 to transition OPA contracts into the market and areas of potential impact in the IESO market rules. He also provided detail to the Working Group on what obligations are placed in the IESO market rules versus the market manuals.

A member asked if the IESO is going to adopt the DR3 program rules without any changes. She noted that it would be a good time to address the issues that aggregators brought forward to the OPA during the initial design. *The IESO responded that the design work on compliance treatment for DR activation will go through the DR Working Group as well as elements in the baseline methodology. In regards to aggregator advice on changes, the IESO will explore program improvements if the OPA can provide detail on the issues that were brought forward.*

Members expressed the view that, where feasible, opportunities for improvement in the DR3 design be taken up during the design of the transition DR market rules.

Member Questions, Comments and Discussion, with the IESO's response in italics:

A member asked if there is time for more Technical Panel reviews of proposed market rules as it seems to indicate that there may be additional TP meetings between the various stages of the rules process identified. *The IESO responded that there is contingency built into the workplan.*

A member asked if resources selected through the auction would be expected to participate in the market under the market design put in place for the DR3 Integration or whether there will be new market opportunities for these resources. *The IESO responded that the auction will provide the availability revenue stream that exists today for DR resources but the way in which energy is subsequently delivered into the market may be different. Once DR3 contracts are moved into market rules and manuals there is an opportunity to evolve the program and allow for new types of participation, such as the types of services being explored through pilot projects. The design of DR will be evolved through consultation.*

A member asked if the IESO is looking to transition existing contracts when they expire and then design the auction mid-stream. The member expanded by stating: the contracts would have one set of rules but in parallel would you be developing capacity type rules that may not mirror each other?

A member added the question: are these temporary market rules until all DR contracts are expired?

(Response to both questions): *The terms will continue to be respected for those under contract. As the contracts expire, opportunities will exist for those resources to offer into the auction - that is the point at which they enter into the new relationship between themselves and the market rules.*

A member asked if the timeframe outlined is just for the DR3 transition or does it include the auction? *The arrangement between contract holder and OPA persists until they expire. They will continue to operate under the terms of their contract until they expire. The presentation on market rule impacts addresses only the DR3 transition. Auction rule impacts will be discussed at a future meeting.*

Item 4 Areas of potential opportunity for Demand Response

Patricia Murray of the IESO then presented 'Meeting system needs with Demand Response'. The Working Group was asked for feedback on other ways demand resources can help the market. She also asked Working Group members to think about the questions on Slide 11 in preparation for the next Working Group meeting.

Member Questions, Comments and Discussion, with the IESO's response in italics:

A member commented that understanding system needs would be one of the most important things they need to understand in discussing how DR can bring their technical capability to meet. The member then asked how the IESO plans to let them know these system needs. *The three items presented are system needs that the IESO knows to exist. The IESO asks that members offer information about the capabilities of their resources to help manage those system needs. The IESO would like to know how Working Group member resources can assist with those system needs, and would also like to keep the door open for other pilots that may come out of that conversation.*

A member commented that it would be helpful if the IESO could tell members of the Working Group how these rules currently work for traditional generation so that DR providers can then see their resource characteristics and how they could help to meet those needs. *The IESO answered that they would be happy to share what the rules are and then try to understand what the barriers are for members competing in that space.*

A member then asked what criteria is the IESO trying to achieve in addressing these system needs? How will those be communicated to the market? *Fundamentally the IESO is trying to maintain the balance between supply and demand and identify opportunities for demand response resources to compete in a cost-effective way. As an example, the need for load following manifests itself in different time frames – regulation, 5-minute dispatch, hourly dispatch, and unit commitment – and at different times of the day depending on the resources available at that time. The presentation, as delivered, is where the IESO thinks the greatest opportunities for demand response participation are.*

A member suggested that opportunities should be sought to align the message around both demand response and energy efficiency. Where customers have made investments in energy efficiency it can be a small step to engage them more actively to produce a dynamic response. The IESO was encouraged to work with the OPA to identify where there may be opportunities such as this. *The IESO is focused more on dynamic response through market from the demand side. Energy efficiency upgrades are not within the current work plan but this may be addressed more broadly through the stakeholder consultation on initiatives such as a capacity market. The IESO has been working with the OPA for a number of months on this issue and will continue that effort through the Working Group.*

Item 5 Wrap up and next steps

Robert Doyle of the IESO concluded the Working Group session, thanked everyone for attending and offering input and encouraged members to bring discussion items to future meetings.

Members asked how this information should be shared with the IESO. The IESO responded that responses can be sent via e-mail once the minutes for the meeting have been circulated and members have had time to formulate their thoughts. Members also asked if there was a technological platform available to allow for more collaboration between members of the group. The IESO responded that the use of portal collaboration communities in past engagements has not achieved desired results and instead, the IESO will communicate via e-mail and materials will be posted on the Working Group public webpage. Comments and responses from members will also be posted on the Working Group webpage.

Action Item Summary				
#	Date	Action	Status	Comments
1	April 3, 2014	Providing mock-ups of reports relating to DR3	Open – if available they will be provided by next WG meeting	
2	April 3, 2014	Share expectations from existing resources on meeting system needs	To be included in future WG presentations	