

## IESO Stakeholder Engagement

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**From:** Hausle, Kyle <Kyle.Hausle@nrgenergy.com>  
**Sent:** July 18, 2014 10:07 AM  
**To:** IESO Stakeholder Engagement  
**Cc:** Buerger, Laura; Pieniazek, Marie  
**Subject:** DR Feedback

Good Morning,

Feedback is in blue text:

### Demand Response Stakeholder Questions:

#### DR Auctions

- How do you perceive the potential impacts of a DR Auction in your business? Are there barriers to participation that need to be addressed?
- The presentation outlined areas where input will be required. Are there other key areas of design to be considered within the stakeholder feedback scope?
- What stakeholders and/or stakeholder groups should be involved in this engagement that are not already participating?

#### Pilots

- Are the proposed pilot timelines appropriate to meet the expected learnings? *I think the timelines are appropriate to meet expected learnings. The minimum I would say is 1 year but realistically, 2 years allows for aggregators and customers to settle into the program and get comfortable which will yield better representative metrics to support the expected learnings.*
- Are the proposed program features appropriate to meet the expected learnings? *I don't feel that we have enough detail on program features to this point to be able to make an assessment as to whether they are appropriate to meet expected learnings. We need details such as registration, notification, measurement & verification, compensation, etc.*
- Are the proposed enabling market rules and rule changes sufficient to allow for the proposed piloting?
- Are there other areas of the market rules that need to be considered?

#### Transitional Market Rules

- Are there any sections of the DR3 contract not mentioned in the July 9 presentation which should be included in the market rule amendment?

#### Other

- Any additional comments?

#### Demand Response Compliance Changes Under Transitional Rules

##### 3. Simplify Performance Breach definition- redefine Performance Breach to:

- For an Activation Event per Zone:
  - Actual Activated MWh/ Activation MW < 80%
  - Confirmed MW / Monthly Committed MW < 80%

*ECS has always had issue with the performance breach penalty that results in complete loss of availability payment. Say the zone's actual activation ratio was 60%. The grid still reaps the benefit of the 60% reduction but*

we lose all availability payment. What is the justification for that? Why not perhaps a tiered performance/compensation structure such as in CA programs?

Example: 80%-100% = 100% availability payment  
50%-80% = 50% availability payment.  
<50% = no availability payment.

• Failure to provide a complete set of weekly data for a Settlement account by the fourth week after the deadline. We would like to see flexibility here as we've experienced issues in the past with meter data not being available due to circumstances beyond our control. For instance if an LDC decided to overhaul service at a facility, they pull the meter and there is no data captured for several weeks. The aggregator should not be penalized for a situation like that.

Proposed Baseline:

• Remove the Weather Sensitive Additive Adjustment and subject all participants to day of event conditions instead (with In-Day Adjustment) We would like flexibility with the application of the in-Day adjustment. Ideally, we would choose to use the adjustment on a per customer, per event basis. Applying the adjustment across the board can be a disadvantage for customers that respond to events dynamically. Example: If a facility decides to shut down production equipment early in the morning in anticipation of the event for which he/she has been given day-ahead notice of, then their baseline could be reduced by 20% unnecessarily.

Thank you,

**Kyle Hausle** | Manager, Market Interface & Compliance  
Energy Curtailment Specialists, Inc.  
4455 Genesee ST | BLDG 6 | Buffalo, NY | 14225  
[www.ECSGrid.com](http://www.ECSGrid.com)



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