

IESO Stakeholder Engagement

From: Rick Goddard
Sent: July 17, 2014 1:40 PM
To: IESO Stakeholder Engagement
Subject: RE: ****Acknowledgement****RE: Comments on Transitional Market Rules

Hi Daniela,

No problem on publishing the comments. I'd also like to add that with regards to the "Meet Fully Available for Curtailment requirement" comment, Rodan would be happy to support IESO any way we can to work out a mutually agreeable solution to the problem outlined.

Best regards,
Rick

From: Rick Goddard
Sent: July 15, 2014 5:49 PM
To: Wright-Hilbig, Rhonda
Cc: IESO Stakeholder Engagement
Subject: Comments on Transitional Market Rules

Hi Rhonda,

We've looked over the proposed Transitional Market Rules slide deck and have a few comments. It's a bit difficult to comment on the concepts as opposed to the details, which is where most of us spend our time. As a result, I think many of the comments will be more relevant for the Market Manuals but they might still be of use.

Chapter 7, section 17

Term and Termination

The first bullet in the presentation references "existing" DR3 contracts. I would assume this means that all contracts that are currently governed by the OPA DR3 Contract will automatically fall under the purview of the Transitional Market Rules in March 2015. However there is some debate here that only new contract schedules resulting from renewals would be governed by the Transitional Market Rules and the "existing" capacity would continue to be governed by the existing OPA DR3 Contract until expiry. Can you clarify/confirm that the Transitional Market Rules will be the only governing document after March 2015?

Eligibility Requirements

"Shall demonstrate to the satisfaction of IESO that it can provide a minimum level of DR reduction, as specified in MM"
This obviously references the Market Manuals, but we wanted to flag this because this "test" has been a point of contention in the past. We would love to see something more flexible than the simple MWh test in the MM.

In more general terms, Eligibility requirements will need to take into account the different nature of the metering installations (i.e. DR resources do not require IESO compliant metering installations and should be exempt from such requirements). Some specific differences:

- 5 minute data not always available for all DR assets, so accommodation must be made for 15 minute data (currently split into 3 equal 5 minute chunks)

- Metering assets are typically owned by the LDC and as such are (frustratingly) beyond the control of the aggregator
- Redundant aggregator-owned metering is not an economically viable option for smaller loads
- The aggregator has no direct control over meter seal status or replacement scheduling of expired meters

Also with regards to Eligibility, we have experienced challenges when attempting to enroll behind the meter generation assets used for load displacement in DR3. Parameters such as facility peak versus nameplate rating, come into play. Despite utility connection agreements and the Net Generation Recapture provision already in the Rules and DR3 contract, net generation is simply not allowed in the current program.

Although not mentioned specifically, Rodan recommends that the IESO discontinue the seasonal load ratio requirement for DR3. Aggregators are currently not permitted to have any contract schedule that is winter or shoulder peaking; all contract schedules must peak in the summer months. Waiving this requirement could make backfilling a portfolio easier.

Finally, considering the number of M&V plans (and other contributor documentation) that we (and the IESO) currently have to manage, we would strongly encourage the IESO to employ an online database or document management system to allow tracking and amendment of documents.

Program Parameters

Demand Response Market Participant (all as per applicable market manual):

“Shall issue to the IESO a confirmation of intent to provide a demand reduction if required”

Rodan would anticipate that this requirement would mirror current behaviour (i.e. no confirmation required or expected if the participant is providing contracted capacity. Confirmation is only required if issuing a “Low Confirmation” or if responding to an Open Standby with additional capacity).

“Meet Fully Available for Curtailment requirement”

The Not Fully Available for Curtailment test has become problematic in DR3 with the increased 5CP activity of Class A contributors. These clients often begin to curtail prior to when a DR3 activation might occur in order to conservatively capture the peak. Under the current 15 of 20 baseline, this can result in a costly Not Fully Available for Curtailment setoff. This setoff was due to be eliminated with the proposed move to the 10 of 10 baseline (presumably because the intraday adjustment would automatically inflict similar financial pain by lowering the baseline). However, Rodan is hopeful that the IESO will recognize this phenomenon and prescribe a means to distinguish the unavailable contributors from those that must observe earlier curtailments due to 5CP.

Chapter 9: Settlements and Billing

Chapter 9, section 4.7H (new) *IESO*:

Rodan would anticipate that by integrating DR3 settlement more closely into its systems, the IESO will be able to enhance the reporting of “miscellaneous amounts” in settlement statements. Adjustments can be difficult to reconcile without an accompanying reference.

Chapter 3: Administration, Supervision, Enforcement

Rodan would like to understand what compliance items are could become public (via MACD or other means). Portfolio performance and other parameters could provide intelligence to competitors, and we need to be cognizant of which items will have visibility under the IESO.

General

The current DR3 marketplace has some exclusion zones where participation is not permitted. Will future programs also have areas of non-participation? If so how will this be determined? Where and how will future availability rate information be determined?

Compliance

The proposed changes are helpful, but Rodan respectfully encourages the following considerations:

- Eliminate or modify the Not Fully Available for Curtailment charge (see above).
- Relax weekly meter data setoffs.
- Eliminate Planned Non-performance Activation Day setoff when contributors have declared a planned outage that happens to be an activation day.

Best regards,
Rick

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