

Hi Trisha,

Thanks for the opportunity to write about some improvements that the DR community is looking to see in 2026. With the supply cushion tightening in the back half of the 2020s, we are seeing frequent dispatches, including partial dispatches in the market. In addition, we are highlighting a mismatch between the requirement to submit utility data and the utility data that actually exists. Lastly, the recent capacity auction rules highlighted that the tie-breaking mechanism, while being a significant improvement, remains imperfect. More detail on these items below:

1. **Frequent Dispatches:** Dispatch frequency has dramatically ramped up for Hourly Demand Response (HDR) resources in the post-MRP world. While it has been a relatively cool start to the Winter Season, we are currently nowhere near peak conditions and as of December 10, HDR has been dispatched five times since November 1, 2025. Moreover, the resource is being dispatched without any declaration of emergency conditions! Frequent dispatches could lead to a significant erosion of demand response resources in future capacity years. It would be helpful for IESO to provide further clarity on the conditions required for HDR to be dispatched. The original intention of the resource was to be an emergency resource, and aggregators and end customers who participate today still understand it to be an emergency-based program.

Voltus continues to believe that a bifurcation of HDR is required, into (1) Emergency-Only resources (dispatched at EEA1 and beyond), and (2) those that can be flexed more often (Pre-Emergency). Bifurcation would better enable IESO to use the right tool at the right time and to ensure that each HDR contributor understands what is expected of them as they sign up for a Capacity Season. It would avoid the risk that customers who are only willing and able to participate in true Emergency conditions leave the program altogether. Resources that are available for fewer calls will not be paid for energy in the events that they are not called for.

- A sub-issue here is the frequency of stand-by notices. Based on the stand-by trigger review conducted in 2022, IESO was attempting to set the stand-by threshold to result in about 52 stand-bys per year (See [IESO Design Memo 4.0 - HDR Stand-by Trigger Review](#)). In the 2025/2026 Capacity Year to date, Voltus has had resources placed on stand-by 70 times and counting, with 5 operational months remaining in the Capacity Year. IESO should revisit this design memo to see if the trigger price or mechanism requires adjustment. As it stands, stand-by notices are so frequent that they become merely “noise”. They should be infrequent enough as to be an indication that there is a *very high* chance of an actual dispatch, so that participants will prepare accordingly. For example the New York ISO’s Special Case Resources demand response has a similar “stand by” construct, but only two standby notices out of dozens in the past several years were not followed by a dispatch.
2. **Partial Dispatches:** The Hourly Demand Response (HDR) resource must submit utility data for all sites within the aggregation after any dispatch. This makes sense when 100% of an aggregate resource is dispatched, but we are beginning to see frequent partial dispatches of the HDR resource class. This means that aggregators must decide between dispatching all of their sites, while only being paid for the energy provided by some of those sites, or dispatching only a subset of those sites and risking that the load at the other sites creates a negative impact on the resource’s aggregate performance. An example of each of these situations is shown below.
- Dispatching a subset of sites: In this example, an HDR resource is dispatched at 10 MW of its 20 MW capability and dispatches only 10 MW of the sites within that aggregation. If the non-dispatched sites reduce their load during the in-day adjustment window, or increase their usage during the event window, the performance from the dispatched sites will be diluted

by data for the non-dispatched sites, who were going about their normal business rather than responding to an HDR event.

- Dispatching all sites: In this example, an HDR resource is dispatched at 10MW of its 20MW capability, but chooses to dispatch all 20 MW. The aggregator would only be paid for 10 MW of energy payments but would owe the participating sites for 20 MW of energy payments. Moreover, the over-delivery of energy to the system could create reliability issues.

We believe that two possible solutions exist: One would require the inclusion of a dispatch record by each aggregator specifying which contributors were dispatched in the partial dispatch. The aggregator would then only submit data for the sites that were dispatched. There are precedents for this proposal, including both the MISO capacity demand response program, which handles dispatch M&V for the relevant subset of resources within an aggregated dispatch and the PJM Load Management Program, which handles both dispatches and data submission at the contributor level. The other solution proposed would allow HDR resources to only be dispatched as a full resource.

3. **Resampling of Utility Data:** At present, the market rules mention only that utility data be presented on a 5-minute basis for all HDR contributors. The issue with this is that not all utilities collect 5-minute data for all of their customers. This might be a limitation on the meter, or on the data being captured by the utility for that particular account. As a result, aggregators might take hourly or 15-minute data that they receive from the utilities and resample it into 5-minute data (I.E. if a site consumed 100 kWh over an hour, it would be resampled to 100 kW of demand in each of the 12 5-minute intervals in that hour). We believe that the market rules or the market manual should clarify that this resampling is allowed or update the requirement to match the granularity of settlement data to the granularity of meter data collected by the utility.
4. **IESO Tie-Breaking Mechanism:** We are very grateful for the IESO's hard work to get the new tie-breaking mechanism into place for the 26/27 auction. The 26/27 result just released was a major improvement to the previous two Capacity

Auctions. However, we did notice a significant increase in small independent virtual demand response resources. This is creating a problem with the tie-breaking mechanism logic that continues to incentivize aggregators to qualify and offer as many MW as they can because a substantial number of MW are being allotted in the second allocation step, which is done in proportion to the offer. We believe that this issue can be managed easily with a revision that does a second round of proportional allocation after the first tie-breaking step. We look forward to discussing this with the Capacity Auction Enhancement team. An example of how this could work is shown below.

Current Methodology

Contributor	Offer	Tie-break #1 Allocation	Allocation #1	Remaining Offer	Tie-Break #2 Allocation	Tie-break #3 Allocation	Total	Actuals	
ALECTRA MICROGRID SERVICES PROJECT (LNR) LP	1.5	7.7	1.5	0	0	0	1.5	1.5	
EDGECOM ENERGY INC.	12	7.7	7.7	4.3	0.6	0	8.3	8.3	
EN-POWERED INC.	30	7.7	7.7	22.3	3.4	0	11.1	11.2	
ENEL X CANADA LTD.	14	7.7	7.7	6.3	0.9	0	8.6	8.6	
GC PROJECT LP	2.3	7.7	2.3	0	0	0	2.3	2.3	
LINDE CANADA INC.	3.5	7.7	3.5	0	0	0	3.5	3.5	
RODAN ENERGY SOLUTIONS INC	69.8	7.7	7.7	62.1	9.6	0.9	18.2	18	
VINE FRESH ACRES LTD.	6	7.7	6	0	0	0	6	6	
VOLTUS ENERGY CANADA LTD	25	7.7	7.7	17.3	2.6	0	10.3	10.4	
Totals	164.1	69.3	51.8	112.3	17.1	0	69.8	69.8	
Unallocated MW					18				

Possible Revision

Contributor	Offer	Tie-break #1 Allocation	Allocation #1	Remaining Offer	Tie-Break #2 Allocation	Allocation #2	Tie-break #3 Allocation	Total	Actuals
ALECTRA MICROGRID SERVICES PROJECT (LNR) LP	1.5	7.7	1.5	0	0	1.5	0	1.5	1.5
EDGECOM ENERGY INC.	12	7.7	7.7	4.3	3.6	11.3	0	11.3	8.3
EN-POWERED INC.	30	7.7	7.7	22.3	3.6	11.3	0	11.3	11.2
ENEL X CANADA LTD.	14	7.7	7.7	6.3	3.6	11.3	0	11.3	8.6
GC PROJECT LP	2.3	7.7	2.3	0	0	2.3	0	2.3	2.3
LINDE CANADA INC.	3.5	7.7	3.5	0	0	3.5	0	3.5	3.5
RODAN ENERGY SOLUTIONS INC	69.8	7.7	7.7	62.1	3.6	11.3	0	11.3	18
VINE FRESH ACRES LTD.	6	7.7	6	0	0	6	0	6	6
VOLTUS ENERGY CANADA LTD	25	7.7	7.7	17.3	3.6	11.3	0	11.3	10.4
Totals	164.1	69.3	51.8	112.3	18	69.8	0	69.8	69.8
Unallocated MW					18				

I hope you have a great holiday season.

Best,



Michael Pohlod,
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