

# Feedback Form

## Resource Adequacy webinar – April 22, 2021

### Feedback Provided by:

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Following the April 22, 2021 Resource Adequacy engagement webinar, the Independent Electricity System Operator (IESO) is welcoming feedback from stakeholders on the items discussed during the webinar. The webinar presentation and recording can be accessed from the [engagement web page](#).

**Please submit feedback to [engagement@ieso.ca](mailto:engagement@ieso.ca) by May 13, 2021.** If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

## Feedback on draft market rule and manual amendments for 2021 Capacity Auction administrative enhancements

Draft Market Rule and Manual / Section	Feedback
<ul style="list-style-type: none"> <li>Market manual (MM) 12 / Section (S) 3.2</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<ul style="list-style-type: none"> <li>MM 12 / S 4.1</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<ul style="list-style-type: none"> <li>MM 12 / S 5.2</li> </ul>	<ul style="list-style-type: none"> <li>Although AEMA appreciates the clarification surrounding that the CMAP must be the registered owner of the registered facility associated with the capacity auction resource, AEMA questions the rule in the first place. Energy Service Providers, such as aggregators, represent customers who may not want to participate in the capacity auction due to risk, complexity and other factors. This rule has the potential to eliminate valuable cost-effective resources from participating in the capacity auction. AEMA asks that the IESO provide rationale for this rule as it does not seem clear on the benefits for this restriction. On its face the rule seems to discourage participation by resources which might want to participate but which wish to engage third parties to manage the operation of the asset and interaction with the ISO. As such the rule seems counterproductive to the goal of encouraging distributed energy resources, and does not seem to serve a legitimate regulatory purpose.</li> <li>The timing outlined in this section (45 business days prior to the start of the obligation period), may also pose another issue for customers that now need to participate on their own. When part of an aggregation, an aggregator can manage the supply obligation from the portfolio approach. If a customer now has to be its own Market Participant, and is installing a behind-the-meter asset, it may not be ready for the start of the obligation period. Instead of an aggregator managing that resource and providing capacity, it will now have to sit out of a CA season.</li> </ul>
<ul style="list-style-type: none"> <li>MM 12 / S 5.3.3</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<ul style="list-style-type: none"> <li>MM 12 / S 6</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>

Draft Market Rule and Manual / Section	Feedback
<ul style="list-style-type: none"> <li>MM 12 / S 8</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>MM 5.5 / 1.6.26.3.5</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>Market rule (MR) Ch. 2 / S 1.2.2.6</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>MR Ch. 11</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>MR Ch. 7 / S. 18.4.4</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>General comments/feedback</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>

## Draft scope for hourly demand response (HDR) baseline methodology review

Topic	Feedback
<ul style="list-style-type: none"> <li>Data</li> <li>Is the proposed source data appropriate?</li> <li>Is the analysis timeframe appropriate?</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>Suitable Business Days</li> <li>Is the proposed method for choosing proxy event days appropriate?</li> <li>Should additional types of days be excluded from the set of proxy event days?</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>Baselines</li> <li>Are there additional baselines that should be evaluated?</li> <li>Do stakeholders support the exclusion of regression-based baselines?</li> </ul>	<ul style="list-style-type: none"> <li>Currently, the IESO is using a "one-size-fits-all" baseline calculation.</li> <li>Research on other market designs generally conclude that a single baseline calculation is not the most accurate way to measure performance across different load profiles.</li> <li>All the Baseline calculations proposed are variations on the same type of calculation. Given that there are all different types of DR participants, and the</li> </ul>

fact that we want to encourage all different types of DR participants to participate, **we would propose evaluating the benefits of using different types of Baseline calculations for different participants.**

- **Eg. Midcontinent Independent System Operator (MISO)** -\_Market participants have the option of using various evaluation methodologies to determine a baseline:
  - Metered Generation
  - Calculated Baseline
  - Direct Load Control
  - Custom Baseline

“The Market Participant sponsoring a DRR may develop a custom Consumption Baseline if none of the three standard baselines described above would produce reasonable estimates of the resource’s demand reductions. MISO must approve of the specific methodology to be employed before the Market Participant can utilize such a baseline.” (MISO Demand Response Business Practices Manual)
- **Eg. PJM Interconnection (PJM)** -\_PJM lists 7+ methods that participants can use to calculate baselines, depending on load characteristics
  - Avg. of last 5 non-event days w/ Symmetric Additive Adjustment
  - Avg. of last 5 non-event days w/ Weather Sensitive Adjustment
  - Avg. of last 3 non-event days w/ Symmetric Additive Adjustment
  - Average of last 3 non-event days w/ Weather Sensitive Adjustment
  - Max Base Load
  - Metered Generation
  - Avg. of 3 hours before & 2 hours after the event
- These alternatives are described in Section 10.4.2 of [PJM Manual 11](#) which currently lists 9 different alternative baselines that are already pre-approved.

Topic	Feedback
	<ul style="list-style-type: none"> <li>• AEMA recommends the IESO should also analyze the use of <b>metered generation</b> and custom baselines. Currently PJM allows parties to propose alternate baselines as long as they meet certain criteria.</li> <li>• AEMA supports the exclusion of regression-based baselines for ease of calculation and administration</li> </ul>
<ul style="list-style-type: none"> <li>• Performance Assessment</li> <li>• Are the proposed evaluation principles of accuracy, integrity, and simplicity appropriate?</li> <li>• Are the proposed statistical performance metrics to assess baseline accuracy appropriate?</li> </ul>	<ul style="list-style-type: none"> <li>• While the principal of simplicity has some merit in certain contexts (high reproducibility), we would emphasize that <u>accuracy</u> is more important with regards to measuring DR and that the IESO should evaluate if different baselines for different types of DR participants increases overall accuracy compared with using a single baseline for all resources</li> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>• General comments/feedback</li> </ul>	<ul style="list-style-type: none"> <li>• In the event that this analysis results in the decision to proceed with a single baseline calculation, the AEMA request that the IESO implement an opt out option for the in-day adjustment</li> <li>• <b>Absent an opt-out provision the IESO should present reasons for the intraday adjustment and the problem statement detailing exactly what the adjustment is addressing</b></li> </ul>

## General Comments / Feedback

AEMA is a North American trade association whose members include distributed energy resources (“DER”), demand response (“DR”), and advanced energy management service and technology providers, as well as some of Ontario’s largest consumer resources, who support advanced energy management solutions due to the electricity cost savings those solutions provide to their businesses. These comments represent the views of AEMA as an organization, not any individual company.