

Feedback Form

Resource Adequacy – December 15

Hourly Demand Response: Baseline Methodology Review and Contributor Management

Feedback Provided by:

Name: Katherine Hamilton

Title: Executive Director

Organization: Advanced Energy Management Alliance

Email: [REDACTED]

Date: January 7, 2022

To promote transparency, feedback submitted will be posted on the Resource Adequacy webpage unless otherwise requested by the sender.

- Following the December 15, 2021 Resource Adequacy webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the information presented in the HDR presentation that may be different than comments on the draft Rules and Manuals documents which have their own specific feedback forms.
- Background information related to these feedback requests can be found in the presentation and meeting recording, which can be accessed from the [engagement web page](#).
- **Please submit feedback to engagement@ieso.ca by January 7, 2022.** If you wish to provide confidential feedback, please mark the document "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

Hourly Demand Response

Topic	Feedback
Contributor forced outage impacts and proposed solution	<p>AEMA supports the IESO in the assessment of a solution that would address impacts of the forced outage on performance assessment and settlement of the resource by removing meter data for contributors on outage entirely from the baseline calculation. AEMA members have long advocated for similar treatment to other Capacity Auction resources that have the ability to schedule outages without impact on their performance. Treatment of HDR resources should be similar.</p> <p>Although AEMA recognizes that changes to IESO tools and processes will be required, this should be a priority for IESO and the necessary work needs to be done as soon as possible to ensure similar treatment among resources. AEMA members are ready to work with IESO on the next steps including changes to market rules and market manuals. AEMA members are willing to review the proposal in advance of the January stakeholder meetings if available</p>
Contributor-level application of baseline and findings	<p>The IESO is concerned that the contributor level baseline will limit the extent to which IDA can adjust the baseline on the day of an event. The AEMA believes this limit ensures that the resource is properly accounted for and an outage does not disproportionately effect the total resource's delivery.</p> <p>Regardless of their expected curtailment, if a large contributor is experiencing an outage for the period prior to an activation, they have the ability to drag the baseline of the resource down to 0.8, therefore discounting any delta change that the additional resources in the portfolio would provide during activation. Therefore, the resource is being incorrectly accounted for in terms of what it is actually delivering to the system.</p>

General Comments/Feedback

AEMA fundamentally disagrees with at least 2 elements of the IESO's conclusion of results of the baseline analysis. Firstly, the IESO has taken the position that the baseline calculation outcomes should always converge to a value where the resource was consuming energy in the few hours prior to dispatch. AEMA agrees that this could be an indication of the energy being consumed by the entire resource but it in no way indicates a capacity value which is the intent of a baseline calculation. When the IESO performs their demand forecast to determine capacity requirements they do not measure demand at a specific point in time; it is measured over many hours. Secondly, Capacity and Energy are not interchangeable products, especially when they relate to demand response. In fact, the IESO's Annual Planning Outlook has 2 sections that deal with Capacity and Energy separately. Although the 2 products are closely related, they are not interchangeable. The "must offer" requirement for HDR resources is for Energy, not Capacity and this fact should be reflected in the Market Rules and Manuals. Under the current Capacity Auction, it is important that the IESO is procuring the same Capacity product from all resource types competing in the auction. The AEMA believes that the IESO's analysis for the accuracy of the baseline calculation was not aligned to the Capacity product being procured from demand response and other resources through the current Capacity Auction design.

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.