

# Memorandum

**To:** Technical Panel

**From:** Jessica Tang

**Date:** September 28, 2021

**Re:** Price Responsive Load Participation in a Virtual Hourly Demand Response Portfolio

At the June 29, 2021 Technical Panel (TP) meeting, a TP member suggested that the issue of not allowing price-responsive loads (PRLs) to be part of a virtual portfolio be added to the Technical Panel MRP “Parking Lot”<sup>1</sup>. This stakeholder concern was raised in November 2020 as feedback on the MRP detailed design to which the IESO cited virtual portfolio registration requirements from the Capacity Auction being the underlying issue.

Specifically, the current limitation on registering PRL in a virtual portfolio is due to the fact that the IESO’s load model for aggregation is zonal which is incompatible with PRL participation and settlement which must be location specific. PRL consumption and associated demand response must be modelled at the same location in order to settle a PRL net of any associated demand response in the renewed energy market.

The MRP design does not prevent PRLs from providing demand response and their participation is consistent with today’s market design for physical Hourly Demand Resources participating in the Capacity Auction. These limitations of the load aggregation model have been discussed

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<sup>1</sup> The “Parking Lot” is a mechanism for tracking questions raised by Technical Panel members during their review of a market rule batch where resolution is dependent on information to be provided in future market rule batches.

with stakeholders through the Demand Response Working Group and engagements for the Demand Response Auction and subsequently the Capacity Auction.

The IESO intends to explore opportunities for new/enhanced load aggregation models and their relative priorities as part of its DER enablement work under the Enabling Resources Program engagement. The next opportunity to engage on the DER Market Vision is at the October 2021 Engagement days.

Given that potential enhancements to load aggregation models are not within MRP scope and are being considered through the Enabling Resources Program engagement, this issue will not be added to the MRP Parking Lot.