

Demand Response Working Group

November 12, 2019 Meeting

Following the November 12, 2019 Demand Response Working Group (DRWG) stakeholder meeting, the IESO invited stakeholders to provide comments and feedback on the material presented during the meeting.

The IESO received feedback from:

- Advanced Energy Management Alliance (AEMA)
- Electricity Distributors Association (EDA)

The presentation materials and stakeholder feedback received can be accessed from the [DRWG webpage](#).

Note on Feedback Summary

The IESO appreciates the feedback received from stakeholders on the items requested and has provided a summary below, which outlines a summary of the feedback received and the IESO response in relation to this feedback.

Stakeholder comments and IESO responses

Requests

What other proven methods are there to authenticate meter data back to the LDC meter? If possible, please provide details on methods used in other jurisdictions.

Stakeholder

EDA

Feedback

The EDA requested further information to respond to this request.

IESO Response

The IESO has reached out to the EDA to provide more information.

Stakeholder

AEMA

Feedback

AEMA referred the IESO to the data submission and auditing processes used by PJM Interconnection (PJM) and New York Independent System Operator (NYISO).

AEMA recommended an alternative method to authenticate meter data back to the LDC meter which involved more direct participation by the LDC and the ability for aggregators to respond to meter data issues flagged by the IESO or LDC.

IESO Response

In the absence of a formal policy or direction, LDC's are not required to submit meter data directly to the IESO for DR verification purposes. The IESO will continue to investigate alternative methods to authenticate meter data and report back to the DRWG at a future meeting in 2020.

Requests

Please provide details and examples wherein the IDAF is more/less accurate for C&I HDR baselines.

Stakeholder

EDA

Feedback

The EDA requested further stakeholdering on the IDAF and noted that the IDAF was used in the calculation of the Capacity Based Demand Response (CBDR) baseline.

IESO Response

The IESO is planning for further discussions with stakeholders on the IDAF as part of the 2020 DRWG Work Plan.

The IESO would like to note that the CBDR program ended in 2018, therefore the CBDR market rules no longer apply.

Requests

What are the key factors to consider that lead to those increases/decreases in accuracy? Is there data that can be shared?

Stakeholder

AEMA

Feedback

The AEMA indicated support for the IESO's plan to further investigate the impacts of the IDAF and provided an explanation, with scenarios and examples, of when the IDAF can result in a more accurate or less accurate HDR baseline.

IESO Response

Thank you for providing this information. The IESO will use this information as context when discussing enhancements to the IDAF and baseline methodology with the DRWG as part of the 2020 work plan.

Requests

Please provide any details on baseline methodologies and in-day adjustment factors used in other jurisdictions.

Stakeholder

AEMA

Feedback

AEMA encouraged the IESO to consider using multiple methods to determine baselines for HDR resources and referred the IESO to the various baseline methodology options available to DR providers from Midcontinent Independent System Operator (MISO) and PJM.

IESO Response

Thank you for providing this information. The IESO will use this information as context when discussing enhancements to the IDAF and baseline methodology with the DRWG as part of the 2020 work plan.

Requests

What other initiatives should be considered for inclusion in the 2020 work plan? Please specify whether you see this as a separate issue or a sub-component of another initiative.

Stakeholder

EDA

Feedback

The EDA supported the topics that the IESO proposed to be included in the 2020 DRWG Work Plan and suggested coordination between provincial and local, distribution system-level DR programs and accounting for DR potential in regional planning also be included in the work plan.

IESO Response

The IESO's [Grid-LDC Interoperability Standing Committee](#) is focussed on coordinated operations between the transmission and distribution systems as the risk associated with distribution connected resources evolve. The IESO has begun investigating barriers to operational coordination in the near term with LDCs in the Exploring Expanded DER Participation in the IESO-Administered Markets, Part 1 whitepaper as part of the [Innovation and Sector Evolution Whitepaper Series](#) stakeholder engagement. We invite stakeholders to participate in engagement on Part 2 of this whitepaper, focussed on a detailed examination of barriers to operational coordination and options to address them. Stakeholder feedback on the draft options is due by February 13.

With regards to consideration of demand-side resources in regional planning, the IESO expects to publish the Strawman design for the [Regional Planning Review Process](#) stakeholder engagement in Q1 2020. The Strawman design will include recommendations to address barriers to consideration of non-wires alternatives, which could include DR, in the regional planning process. We encourage all stakeholders interested in how NWAs are considered in regional planning to follow this engagement.

In Q4 2019, the IESO conducted one-on-one discussions with DR providers and DRWG stakeholders in order to gather market intelligence on the DR potential in Ontario and locational/regional potential was considered. We intend to provide an update on the lessons learned from these discussions at the February 2020 DRWG meeting.

Stakeholder

AEMA

Feedback

AEMA specified the items they determine to be a priority, suggested priority items identified by the DRWG be addressed in an expedited manner and an item be included in the 2020 DRWG Work Plan that involves uncoupling priorities from the auction mechanism.

IESO Response

The proposals discussed at the DRWG in 2019 including out of market payments for HDR; HDR testing; and meter data management, contributor management and DR audits will be implemented for the May 2020 commitment period.

Market rule/manual amendments related to obligation transfers will be implemented as part of the amendments to enable the June 2020 Capacity Auction.

The timing of initiatives included in 2020 DRWG Work Plan will be discussed at the February 2020 DRWG meeting.

Request

Please provide feedback on the impact that the underlying issues and opportunities of each of the proposed initiatives could have on DR resources. This will help the IESO identify priority of the initiatives.

Stakeholder

EDA

Feedback

EDA provided perspectives on the impact of the proposed work plan initiatives including potential for increased customer participation, alignment between LDC and IESO system planning, and innovation priorities identified within EDA's Power to Connect vision paper and the IESO's Innovation Roadmap.

IESO Response

Thank you for your feedback.

Stakeholder

AEMA

Feedback

AEMA provided perspectives on the impact of the IDAF and baseline review with respect to the capacity value HDR resources provide and related this to the issue of separating virtual and physical HDR resources.

IESO Response

This feedback has been considered in prioritizing the initiatives included in 2020 DRWG Work Plan and will be discussed at the February 2020 DRWG meeting.

Requests

n/a

Stakeholder

EDA

Feedback

The EDA reiterated their position that the DRWG should engage in discussion on aligning distribution-level planning and operations with transmission-level planning and operations and related this to the role DERs, including DR, can fulfill.

IESO Response

Please see the IESO's response above regarding discussions ongoing with stakeholders within the [Grid-LDC Interoperability Standing Committee](#) and the [Innovation and Sector Evolution Whitepaper Series](#) and [Regional Planning Review Process](#) stakeholder engagements.

Stakeholder

AEMA

Feedback

AEMA provided further feedback on items that were discussed at the November 12th DRWG meeting specifically, on the VEE process for meter data issues outside DRMP control and the DR audit.

IESO Response

The proposed VEE process introduces provisions that alleviate burden on the DRMP to submit data for contributors for which they were unable to collect data. It also ensures that the IESO performance assessment process doesn't devalue the resource and instead, focuses on contributor related issues. While there are stakeholder concerns, the IESO understands that the VEE approach as proposed will result in an overall risk reduction for DRMPs. The IESO will report back to the DRWG later in 2020 once the changes are implemented and determine if the process warrants further discussion.

The IESO understands that the concerns identified by AEMA members in the feedback provided relates to the methodology of how the peak kW is calculated in the DR Audit. At the November DRWG, the IESO presented an overview of the DR Audit process. While there are no current work plans to revise the 1% error rate, the IESO invites stakeholders to request a meeting if they would like to further understand the calculation.

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