

# Feedback Form

## Demand Response Working Group webinar – October 8, 2020

### Feedback Provided by:

Name: Katherine Hamilton

Title: Executive Director

Organization: Advance Energy Management Alliance

Email: [REDACTED]

Date: October 30<sup>th</sup>, 2020

Following the October 8, 2020 Demand Response Working Group (DRWG) virtual meeting, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the following items discussed during the webinar. Background information related to these feedback requests can be found in the presentation, which can be accessed from the [engagement web page](#).

**Please submit feedback to [engagement@ieso.ca](mailto:engagement@ieso.ca) by October 30, 2020.** 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.

## July 9 and 10 HDR Activations

Topic	Feedback
What led DRMPs with HDR resources to reduce their bids on the activation days after receiving the activation notices?	

Topic	Feedback
The IESO would like to better understand the root cause of activation day failures (failure to deliver capacity and follow dispatch).	

## Draft HDR Objective Statement



How can the draft HDR objective statement be improved? When reviewing and providing feedback, please consider:

- The HDR resource's role in ensuring a cost-effective and reliable system for Ontario consumers
- This objective statement will be used to identify and evaluate future market development proposals for the resource
- Does the draft HDR objective statement accurately describe the objectives of the HDR resource from a stakeholder, ratepayer and system operator point of view?

The objective of the Hourly Demand Response resource type is to provide capacity by making energy available to maintain reliability during times of localized or global system stress.

The draft objective statement for the HDR resource is too narrowly defined, restricting the resource's participation to "during times of localized or global system stress". As the HDR resource evolves and the participation model changes (including the proliferation of behind-the-meter assets and changes to business processes), this definition could operate to restrict the IESO from obtaining the full value of the flexibility of the resource. Instead of narrowly defining the HDR resource, the IESO should state the needs and resources will adapt to meet those needs.

By identifying the issues that exist with the scheduling and dispatching of the HDR resource, the DR community can provide input on how to improve the response of the HDR resource. Only then can the real flexibility of the HDR resource types be appropriately defined, valued and monetized.

The HDR resource is a cost-effective capacity resource that follows a compensation and rule scheme that identifies poor performers and penalizes them for not following dispatch orders. As the needs of the system evolve (including the reduction of over-supply), the resource may be used in a different manner than over the past few years as it is versatile and capable of meeting different needs.

The IESO is encouraged to recognize the value of flexible MW that exist and allow HDR resources to monetize that value

Topic	Feedback
	<p>through the IAM – for example, allowing HDR resources that can meet the necessary fair technical requirements, participate in Operating Reserves. As noted in numerous submissions and discussions with IESO staff, not all HDR resources are able to provide OR, but some can. And those that can, should be able to compete to provide that service based on the principles identified in most Stakeholder Engagement forums at the IESO.</p> <p>AEMA <b>recommends</b> that a process/engagement be set up to ensure that resources that are technically capable of providing some service on their own or through aggregation are able to participate in IAM. By removing barriers to participation of DER aggregations in markets, competition will be enhanced and the IESO will be able to produce ‘just and reasonable rates’. The FERC 2222 Decision should be used as a roadmap for this process.</p>

## Stakeholder Presentations at Next DRWG Virtual Meeting

Topic	Feedback
<p>Stakeholders to indicate interest in providing up to a 20-minute presentation (including time for Q&amp;A) on the following topics at the next DRWG meeting:</p> <ul style="list-style-type: none"> <li>• Current priorities for DR in light of various 2020 developments</li> <li>• How stakeholders would like to see the participation model for DR resources evolve long-term to maximize value</li> <li>• Opportunities to better align the present HDR participation model with the HDR objective statement</li> </ul>	<p>AEMA is interested in providing a presentation at the next DRWG meeting.</p>

## General Comments/Feedback

AEMA is a North American trade association whose members include distributed energy resources, 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. The comments herein represent those of the organization, not those of any individual member.