

Feedback Form

Demand Response Working Group webinar – February 12, 2021

Feedback Provided by:

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Following the February 12, 2021 Demand Response Working Group (DRWG) engagement webinar, 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 by March 8, 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 DR Market Development Priorities

Topic	Feedback
<p>Are there additional priority initiatives that should be captured?</p> <p>Is the current ranking of priority initiatives appropriate?</p> <p>Should any of the draft priority initiatives be revised or removed?</p>	<p>As per previous comments filed at the DRWG, AEMA supports the prioritization list of policy initiatives and expects to see the policy initiatives in the Enabling Resources work plan that is expected to be released by the end of Q1 2021, among other IESO engagement activities.</p> <p>A priority that is listed in the Enabling Resource update provided to SAC on February 17th, which is of importance to AEMA, is the minimum size requirements. This includes the minimum aggregation size reduced from 1MW to 100 kW. Another priority is to create a more centralized process for customer enrollment. However, prioritizing in-house M&V would be the most significant step towards a wholesale market that is accessible to residential DERs, helping achieve the IESO's goals of maintaining reliability and competition. Further information on these topics are listed below.</p>

General Comments/Feedback

Further Comments on Priorities:

Currently, the wholesale market rules do not allow for easy access for residential DERs due to lack of data availability. For a residential aggregator to participate in the market today, they need to access customer meter data through Green Button or similar means. From our experience with data authorization in the CAISO, customers are less likely to enroll in a program with the additional hurdle of sharing their data. We typically see a drop of 50% or more in customer enrollment rates under these requirements. Ultimately in-house M&V would not only improve the customer experience, but it would effectively double the amount of residential DERs available in the market.

Additionally, AEMA supports a more centralized enrollment process, which would also drastically improve customer experience and further double the size of available DER resources. This process must be digital and require a single agreement between the customer and the aggregator. Ideally an aggregator would only need a customer address in order to enroll as a participant. ERCOT utilizes a system like this where each address has a unique id (ESIID) that is used as the enrollment ID for market programs.

AEMA also continues to support moving the minimum size requirement from 1 MW to 100 kW. While small scale residential DERs are growing in number, 1 MW is too high to set the bar for participation. Smaller resource types or aggregators with fewer resources may be forced to sit out. This issue will worsen as the market becomes more saturated, and the finite pool of resources are split between market participants, lowering the size of each aggregation. A lower 100 kW limit will ensure everyone can participate which will keep prices competitive.

The number of residential DERs from smart thermostats to electric vehicles is large and growing constantly. Without rule changes like in-house M&V, these resources will continue to serve as an underutilized source of affordable capacity in Ontario. As the reserve capacity declines in the coming years, enabling the use smart, distributed residential load will be crucial to maintaining grid reliability. We are excited for our test run in the York NWA pilot to demonstrate the reliability of residential demand response and the value of streamlined enrollment and M&V processes for participation.

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.