

Demand Response Working Group – Meeting Notes

April 25, 2019

Meeting Notes

Dates held: April 25, 2019	Time held: 9:00am to 1:00pm	Location: Four Points by Sheraton Toronto Airport
Company	Name	Attendance Status (A) Attended; (WebEx) Attended via WebEx
360 Energy	Williams, James	Webex
Alectra Utilities	Mortage, Hamza	Webex
Ameresco Canada Inc.	Fonger, Jim	A
AMPCO	Anderson, Colin	Webex
Bruce Power	Zhang, Alvin	A
Cascades	Ross, Jean-Philippe	A
CGI Utilities	Hughes, Graham	A
CGI Utilities	Van Den Hoed, Mattijs	Webex
City of Toronto	Cheng, Jessie	A
City of Toronto	Gu, Michael	Webex
Cpower Energy Management	Hourihan, Mike	Webex
Customized Energy Solutions	Luukkonen, Paul	A
Customized Energy Solutions	Withrow, David	Webex
Direct Energy	Cavan, Peter	Webex
Ecobee	Houle, Jonathan	A
EDF Renewables	Thornton, David	Webex
Enel X	Chibani, Yanis	A
Enel X	Doremus, Steve	Webex
Enel X	Griffiths, Sarah	A
Energy Hub	Im, Brian	Webex
Great Circle Solar Mgmt Corp	Antic, Tina	Webex
Great Circle Solar Mgmt Corp	Wharton, Karen	Webex
HCE Energy	Crown, Mike	Webex
Lakeland Holding	Gilbert, Jeff	Webex
Ministry of Energy, Northern Development and Mines	Kersman, Paul	Webex
Market Surveillance Panel	Koetsier, John	Webex
Nest Labs/Stem	Amaral, Utilia	A
Northland Power	Samant, Sushil	A
Northland Power	Zajmalowski, Mike	A
NRG Curtailment Solutions, Inc.	Briggs, Kara	Webex
NRG Curtailment Solutions, Inc.	Popova, Julia	Webex
NRG Curtailment Solutions, Inc.	Vukovic, Jennifer	Webex
Ontario Power Generation	Kim, Jin	A
Power Advisory	Lusney, Travis	A

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Company	Name	Attendance Status
Power Advisory	Simmons, Sarah	Webex
Powerful Solutions	Inman, Peter	Webex
Resolute Forest Products	Degelman, Cara	A
Rodan Energy Solutions	Forsyth, Dave	A
Rodan Energy Solutions	Goddard, Rick	A
Rodan Energy Solutions	Quassem, Farhad	A
Rayonier Advanced Materials	Laflamme, Serge	A
Southcott Ventures	Lampe, Aaron	A
Toronto Hydro	Marzoughi, Rei	Webex
TransCanada Energy	Kuntz, Margaret	A
Rayonier Advanced Materials	Laflamme, Serge	A
University of Toronto	Janusz, Alexander	Webex
Voltus	Strawczynski, Zygmunt	A
Voltus	Grav, Jorgen	Webex
IESO	Campbell, Alexandra	A
IESO	Farmer, Chuck	A
IESO	Kahlon, Jasdeep	A
IESO	Nusbaum, Stephen	A
IESO	Rashid, Fahad	A
IESO	Savage, Jessica	A
IESO	Tang, Jessica	A
IESO	Versteeg, Peter	A
IESO	Wagner, Tam	A
IESO	Woo, Phillip	A
IESO	Young, Jennifer	A
IESO	Yung, Ambrose	A
IESO	Zaworski, Richard	A

Please report any corrections, additions or deletions by e-mail to engagement@ieso.ca. All meeting materials are available on the IESO web site at: <http://www.ieso.ca/en/Sector-Participants/Engagement-Initiatives/Working-Groups/Demand-Response-Working-Group>

Hourly Demand Response (HDR) Testing Update – Ambrose Yung, IESO

The IESO provided an update of HDR Testing results and the HDR Test Activation Protocol.

Participants asked what timeframe HDR testing results covered, how many resources passed, and how the results would change if resources were tested for only 2 hours instead of 4.

The IESO explained that HDR testing results presented covered the February 2018 to January 2019 period, only 42% of HDR resources passed testing, and that at least 39% of HDR resources would still fail the test if it was limited to 1 hour as these resources failed in all hours of the 4 hour test.

Participants asked if all the tests had occurred on the same day, and how many failures were repeat failures.

The IESO replied that it had tested all the HDR resources on the same day, and that it will look into providing more information on repeat failures.

A participant asked how many failures were referred to the Market Assessment and Compliance Division (MACD), if similar tests are conducted for generators, and if a sample DR Test Advisory Notice for testing could be provided.

The IESO replied that none of the failures have been referred to MACD; there are tests in place for generators, and the IESO would work with market participants on sample notifications.

Editor's Note: A sample DR Test Advisory Notice was sent to all DRMPs via email on May 17, 2019 and has been posted on the [DRWG website](#).

Participants asked if the test is invalid if the DR Test Advisory Notice fails to deploy.

The IESO replied that the test remains valid and that participants should rely on the standby and activation notifications.

Participants noted that actions during the in-day adjustment period can cause resources to fail tests and asked if the IESO had considered reducing the number of hours in the in-day adjustment period.

The IESO noted that the adjustment period is part of the baseline calculation and changing the number of hours would be a design change that would require further analysis and stakeholdering through DRWG.

DR Auction: Path to Success in the TCA – Yanis Chibani, Enel X

Enel X led stakeholders through their discussion on removing barriers for DR and improving efficiency in the TCA. Participants broadly noted that the Enel X presentation highlighted the challenges that all demand resource resources face and that these challenges have become more important as competition with other resources are being rapidly introduced. Participants wanted to make sure that the issues identified will be resolved in time for the TCA.

Participants asked why enabling merchant generation for phase I of the TCA was a higher priority than improving rules for DR.

The IESO replied enabling imports and generators would not require tool changes and that there is a need for this capacity. Further, there is nothing stopping additional expansion of DR in the TCA.

Participants asked how LDCs are being engaged for the TCA, if more competition means more MW or a better-defined reliability product, and if uprates would be considered.

The IESO replied that they are engaged with LDCs and there will be more outreach throughout the year, competition comes from more MW and more resources, and uprates are not being considered at this time as the TCA is being opened up first to resources that are already participating in the energy market today.

Participants asked if testing for 4 hours made sense for 1 hour dispatches and noted that a single 4 hour tests could be done to prove a resource, subsequent tests could be shorter.

The IESO replied that notionally 4 hours is likely what is needed to meet reliability needs.

Editor's note: IESO can dispatch HDR resources to up to 4 hours and 4-hour test is required by the IESO to test HDR's capability to deliver its obligation for 4 hours.

A participant noted that costs are incurred if the IESO cancels an HDR test on short notice and asked if cost recovery or completion of the 4 hours to get credit was possible.

The IESO replied that when it conducts testing it must provide activation notice at least 2 hours in advance of the test period. In addition, IESO also considers historical test and in market performance for scheduling test activation for a resource.

A participant noted that the IESO should look at other markets for best practices and asked how dispatchable loads are tested.

The IESO replied that it will come back to stakeholders with a broader conversation around testing.

Discussion: Next Steps in Evolving DR participation – Alexandra Campbell, IESO

The IESO led stakeholders through a broad discussion on evolving DR participation, including the future of DRWG and the DRWG work plan. The discussion became centered on the need and rationale for utilization payments for DR, and participants stressed that utilization payments are a priority for DR.

Participants noted that FERC had ruled that DR resources should receive utilization payments equal to LMP, that utilization payments are a regulatory best practice, and that utilization payments may bring down bids. Participants further asked what questions needed to be answered to move utilization payments forward.

The IESO replied that in Ontario, utilization payments would receive the same types of challenges that they did during the stakeholdering of the FERC Order 745 and the IESO would need a made-in-Ontario rationale supported by a good business case to consider it. If the priority for DRWG is to address utilization payments, then it can move this forward on this but asked if there were other priorities given how rarely DR gets dispatched.

Participants emphasized that utilization payments have always been on their list as a priority but the IESO dictates priorities. It made a unilateral decision to make DR compete with

merchant generators on a condensed timeline, which is why participants have escalated the discussion on utilization payments.

The IESO replied that the next steps would be to determine how to move forward from the Navigant paper released in December 2017 on utilization payments. The IESO is open to any new rationales for utilization payments and models from other markets.

A participant asked for a direct response on the key Enel X presentation points.

The IESO replied that it will respond to these points.

Meeting adjourned at 1:00 pm.

The IESO thank all participants and that the IESO welcomes feedback from all stakeholders. Feedback should be sent to engagement@ieso.ca.

Action Item Summary

Responsible Party	Action Item
IESO	Provide more information on repeat failures in HDR testing
IESO	Provide background information on testing for other resource types
IESO	Provide an updated proposal on measurement & verification and testing.
IESO	Provide an approach on how to proceed with the analysis of utilization payments
IESO	Provide a direct response on the key Enel X presentation points