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IESO'S RESPONSES TO SEC INTERROGATORIES

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SEC INTERROGATORY 1

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INTERROGATORY

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SEC wishes to better understand the impact on ratepayers of the Market Rules amendments at

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issue, and AMPCO's position that Demand Response providers should be eligible for energy

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payment, Please provide the IESO's views, including a copy of all analysis that is has

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undertaken or is aware of, regarding impact on costs that will ultimately be borne by Ontario

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ratepayers of providing energy payments to Demand Response providers.

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RESPONSE

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The IESO has not yet performed analysis of the impact on Ontario ratepayers of making energy

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payments to DR resources. In its report, Navigant noted that any reductions in the IESO market

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price may simply be offset by out of market Global Adjustment payments. As described in the

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response to OEB Staff 5, the IESO has initiated a consultation with stakeholders and will be

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undertaking a study on this issue.

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SEC INTERROGATORY 2

2 **INTERROGATORY**

3 Please provide a copy of all analysis that IESO has in possession regarding potential energy
4 payments to Demand Response providers.

5 **RESPONSE**

6 See the Demand Response Discussion Paper dated December 18, 2017 prepared by Navigant
7 and the associated PowerPoint presentation (attached as Exhibits "I" and "H" to the affidavit of
8 David Short sworn October 25, 2019).

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SEC INTERROGATORY 3

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INTERROGATORY

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[Market Surveillance Panel, Monitoring Report on the IESO-Administered Electricity Markets

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Report (March 2019) [https://www.oeb.ca/sites/default/files/msp-monitoring-report-](https://www.oeb.ca/sites/default/files/msp-monitoring-report-20190429.pdf)

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[20190429.pdf](https://www.oeb.ca/sites/default/files/msp-monitoring-report-20190429.pdf)]

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In the Market Surveillance Panel's March 2019 Monitoring Report on the IESO-Administered

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Electricity Markets report, it made a number of critical comments in the IESO's Demand

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Response Auction in which the Transitional Capacity Auction is replacing. Please explain what

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impact, if any, IESO believes that providing energy payments to Demand Response providers

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have on the criticisms made by the Market Surveillance Panel.

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RESPONSE

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The Market Surveillance Panel's March 2019 Monitoring Report on the IESO-administered

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electricity markets report discusses whether recent changes to the standby trigger for DR

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resources will spur a significant increase in DR activations and also notes that the IESO has not

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provided any value assessment of the DRA itself.

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The IESO does not have a clear indication of whether energy payments would increase

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activation of DR resources in the energy market given that DR energy bid prices are often very

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high (reflecting their willingness to curtail) and the market prices in Ontario rarely go that high.

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See response to Board Staff 8(c).

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SEC INTERROGATORY 4

2 **INTERROGATORY**

3 [Notice of Appeal, para. 36-45]

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5 AMPCO relies on FERC Order No. 745. Please provide the IESO's view on the material
6 differences in the market structure of the Ontario versus that which FERC regulates, and how
7 transferable the analysis contained in FERC Order No. 745 is to the Ontario market.

8 **RESPONSE**

9 Please see the response to OEB Staff 5.

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SEC INTERROGATORY 5

2 **INTERROGATORY**

3 [Notice of Appeal, para. 36-45]

4 FERC Order No. 745 outlines a Net Benefits Test. Please explain how the FERC Order No. 745
5 Net Benefits Test could be applied in Ontario.

6 **RESPONSE**

7 Please see the response to OEB Staff 10.

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SEC INTERROGATORY 6

2 **INTERROGATORY**

3 How are TCA availability payments recovered from ratepayers?

4 **RESPONSE**

5 TCA availability payments will be recovered through market uplift charges.