

IESO York Region Non-Wires Alternatives Demonstration Project Feedback Form

July 23, 2020

<u>Date Submitted:</u> <i>2020/08/13</i>	<u>Feedback Provided By:</u> Company Name: EnergyHub Contact Name: Nathan Garner Contact Email: [REDACTED]
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Following the July 23, 2020 webinar to discuss the IESO York Region Non-Wires Alternatives Demonstration Project, the IESO is seeking feedback from participants on the Draft Demonstration Project Rules. Please provide your feedback in Table 1 below. The IESO will work to consider feedback and incorporate comments as appropriate and post responses on the engagement webpage. The referenced presentation and associated Draft Demonstration Project Rules can be found under the July 23, 2020 entry on the IESO York Region NWA Demonstration Project [webpage](#).

The IESO is also seeking more information about your organization. Please complete the applicable sections in Table 2 below. Please note the IESO will not post the information you submit in Table 2.

Please provide feedback by August 13, 2020 to engagement@ieso.ca. Please use subject: *Feedback: York Region NWA Demo*. To promote transparency, feedback submitted in Table 1 below will be posted on the IESO York Region NWA Demonstration Project [webpage](#) unless otherwise requested by the sender.

Thank you for your time.

Table 1

Topic	Feedback
<p><i>Do the proposed dates present any challenges?</i></p>	<p>The proposed dates are reasonable for establishing a residential thermostat aggregation for the upcoming commitment period. EnergyHub supports the two year length of the pilot. This will allow for higher participation rates and greater load shed per device, while also providing EnergyHub with greater revenue certainty and a more seamless customer experience.</p>
<p><i>General feedback on the Draft Demonstration Project Rules</i> (please include the specific section of the Rules being referenced)</p>	<p>Capacity Offer Submission 5.8.b <i>“A Capacity Offer would, if accepted, be binding for the entirety of the Commitment Period”</i> In the current construct, demand response providers must bid the minimum load reduction they are able to achieve for the entire six-month delivery period. Meaning, a seasonal resource that may be able to provide more load drop in August must bid the amount they are able to provide in May. As a result, the IESO is not taking advantage of the entire resource available and resources are not able to maximize their revenues. We propose the ability to take on monthly obligations within the commitment period.</p> <p>Auction Clearing and Activation 6.7 <i>“A standby notice will be issued to Participants for each Contracted DER at 07:00 EST of each Standby Day”</i> Can you expand on how participants will be notified? EnergyHub supports the use of automated dispatch signals through email. The IESO has historically required participants to login to their portal to manually receive notificaitons. If this system continues, many small aggregators will likely not be able to participate.</p>

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	<p>Test Activations 6.10</p> <p><i>“Test Activations will be conducted during the Commitment Period, and will be scheduled to occur during the Availability Window of an Activation Day.”</i></p> <p>Activation testing should recognize weather sensitive resources and call events during peak periods. The profiles of residential HVAC systems, which represent the largest points of consumption in typical homes, will reflect changes in weather as much or more than human activity patterns. For residential customers, space cooling constitutes the largest discretionary load, which is highly correlated with temperature and other weather characteristics. Therefore, when it is hot, for example, household energy consumption increases, and more load is available to be reduced. On mild days there may be little demand response resource to draw upon. This variability does not mean the resource has no value, because this same pattern of demand tends to dominate the overall demand of the grid as well. Ensuring testing coincides with peak days will allow these resources to provide maximum load shed and grid reliability.</p> <p>Appendix H. Demand Response Baseline</p> <p>The residential control group baseline methodology currently requires a minimum of 350 participants. This is much too large, adding significant cost for residential load aggregations, and preventing the IESO from capturing as much load shed as it reasonably can. The control group should be large enough that there are statistically significant limits on the impact that random fluctuations in individual usage can have on the baseline (and hence on reduction estimates). However, it should not be so large as to compromise the ability of the aggregation to provide the most load shed possible, or exclude smaller aggregations from participating. A baseline working group in California proposed a control group baseline that was approved by the FERC in 2019. The approved tariff uses a control group of one hundred and fifty homes (150) as the minimum acceptable size.</p>

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	<p>In addition, participation would be more tenable if the IESO adopted alternative baseline methodologies so that smaller aggregations can more easily meet their minimum load response threshold. This same CAISO proposal included two additional baselines based on extensive field data: a 4-day weather matching baseline using maximum temperature with a +/- 40% day-of adjustment and a highest 5/10 day matching baseline with a +/- 40% day-of adjustment.</p>

General Comments/Feedback:

EnergyHub appreciates the improvements made to the program rules in the York NWA pilot. Many of the barriers that have kept residential aggregators out of the wholesale market have been removed in this program. Two of the most positive changes we see are the lower aggregation size of 100 kW and the control group baseline methodology. EnergyHub has also been concerned about the strict data requirements set by the IESO, and the ability to retrieve meter data from utilities. We hope that through this pilot, the IESO will be able to use Alectra’s AMI data to calculate load shed results. We also request that data not be transferred through Green Button which has been challenging to use in the past. Rather, we would prefer to submit a list of customer meter numbners and receive data through a secure file transfer.

We hope this pilot will lead to more sweeping changes to the wholesale market rules, allowing EnergyHub to expand our residential offering to the broader market in Ontario. We believe opening the wholesale market to residential aggregation will benefit rate payers, improve grid resiliency, and strengthen community engagement.