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## Market Rule Amendment Submission

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This form is used to request an amendment to, or clarification of, the *Market Rules*. Please complete the first four parts of this form and submit the completed form by email to the following:

Email Address: [Rule.Amendments@ieso.ca](mailto:Rule.Amendments@ieso.ca)

Attention: Market Rules Group

**Subject: Market Rule Amendment Submission**

All information submitted in this process will be used by the *IESO* solely in support of its obligations under the *Electricity Act, 1998*, the *Ontario Energy Board Act, 1998*, the *Market Rules* and associated policies, standards and procedures and its licence. All submitted information will be assigned the *confidentiality classification* of “Public” upon receipt. You should be aware that the *IESO* will *publish this amendment submission* if the *Technical Panel* determines it warrants consideration and may invite public comment.

Terms and acronyms used in this Form that are italicized have the meanings ascribed thereto in Chapter 11 of the *Market Rules*.

### PART 1 – SUBMITTER’S INFORMATION

Please enter contact information in full.	
Name: <u>IESO Staff</u>	
(if applicable) <i>Market Participant / Metering Service Provider</i> No. <sup>1</sup> : <u>N/A</u>	<i>Market Participant Class</i> : <u>N/A</u>
Telephone: <u>905-403-6983</u>	Fax: <u>N/A</u>
E-mail Address: <u>Rule.Amendments@ieso.ca</u>	

### PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: <u>Participation – Demand Response</u>	
Title: <u>Demand Response Pilot Programs</u>	
Nature of Request (please indicate with x)	
<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion
<input checked="" type="checkbox"/> Addition	<input type="checkbox"/> Clarification
Chapter: <u>1, 7, 9, 11</u>	Appendix: _____ Sections: _____
Sub-sections proposed for amending/clarifying: _____	

<sup>1</sup> This number is a maximum of 12 characters and does not include any spaces or underscore.

### PART 3 – DESCRIPTION OF THE ISSUE

Provide a brief description of the issue and reason for the proposed amendment. If possible, provide a qualitative and quantitative assessment of the impacts of the issue on you and the *IESO-administered markets*. Include the Chapter and Section number of the relevant *market rules*.

#### Summary

The IESO proposes to amend the market rules to enable the demonstration of demand response (DR) capabilities through pilot programs in the IESO-administered markets (IAM). These rules would enable industry to demonstrate the capability to enter and operate within the IAM effectively, and allow the IESO to identify potential barriers to entry to the IAM. DR pilots would provide an opportunity to discover the type of market rule amendments that would be required for permanent inclusion in the market rules, based on practical experience with the pilots.

This proposal is based on stakeholder consultation as part of the Demand Response Working Group (DRWG) and public sessions.

Further information on the DRWG can be found on the IESO’s website at:

<http://www.ieso.ca/DRWG>

#### Background

Ontario’s 2013 Long-Term Energy Plan<sup>1</sup> (LTEP) established a target “to use Demand Response to meet 10% of peak demand by 2025.” The LTEP also signaled that the responsibility for existing and new DR initiatives will be transferred from the OPA to the IESO.

With respect to the capacity associated with the OPA DR2 contracts that will expire at the end of 2014, the IESO has received encouragement from the Ministry of Energy<sup>2</sup> to allocate a portion of this capacity to implement DR pilot initiatives in order to test DR’s capability to meet system needs and to allocate the remaining capacity through the first IESO DR auction which is expected to occur in 2015.

The DR2 contracts expire at the end of 2014. A portion of the DR2 capacity will be allocated to the DR pilot initiatives, with the remaining capacity being allocated to the DR auction expected to take place in 2015.

### PART 4 – PROPOSAL (BY SUBMITTER)

Provide your proposed amendment. If possible, provide suggested wording of proposed amendment.

It is proposed to amend the market rules to enable the demonstration of demand response capabilities through pilot programs in the IESO-administered markets.

<sup>1</sup> [Ministry of Energy - Long-Term Energy Plan 2013](#)

<sup>2</sup> [Letter from Ministry of Energy](#)

**PART 5 – FOR IESO USE ONLY**

*Technical Panel* Decision on Rule Amendment Submission: Warrants Consideration

MR Number: MR-00410

Date Submitted to *Technical Panel*: July 17, 2014

Accepted by *Technical Panel* as: (please indicate with x) Date:

General  Urgent  Minor July 22, 2014

Criteria for Acceptance: The amendment submission will better enable the market to satisfy the market design principles of efficiency and fairness.

Priority: Regular

Criteria for Assigning Priority: DR pilot programs could be initiated as early as January 2015.

Not Accepted (please indicate with x):

Clarification/Interpretation Required (please indicate with x):

*Technical Panel* Minutes Reference: IESOTP 282-1

*Technical Panel* Comments: \_\_\_\_\_