



Market Rule Amendment Submission

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

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. ¹ : <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>Demand Response</u>	
Title: <u>Capacity Based Demand Response</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: _____	Appendix: _____
Sections: _____	
Sub-sections proposed for amending/clarifying: _____	

¹ 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 translate the Ontario Power Authority's (OPA) wholesale Demand Response (DR3) contract terms into the market rules. This will enable administration of this wholesale Demand Response (DR) program to be transferred to the IESO.

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 Plan¹ (LTEP) established a target "*to use Demand Response to meet 10% of peak demand by 2025.*" To encourage development of demand response in Ontario, the LTEP also signaled that the responsibility for existing and new DR initiatives will be transferred from the OPA to the IESO.

The IESO's goal is to achieve greater value and more economic use of demand response in Ontario by incorporating these resources into the IESO administered markets and developing new opportunities for DR to participate in the market. As part of this effort, the IESO is looking to transfer the OPA DR3 contracts into a market based approach enabled by the IESO market rules. This will:

- Improve and simplify the administration, operation and settlement of capacity-based demand response resources;
- Allow for market design change through an open consultation process without the need to renegotiate contracts; and
- Give the IESO and demand response providers experience working together within the administration and operation of the market.

Where appropriate, and in consultation with stakeholders, the IESO will seek to make changes to the current DR3 design when developing market rules to reflect participant feedback and to align the treatment of DR3 resources with other resources in the IESO-administered markets.

Highlights of the proposed rule amendments to translate the terms of the OPA DR3 contracts into the market rules (subject to change pending further stakeholder discussion) include, but are not limited to, the following:

Market Participant Class:

A potential new market participant class that will allow DR participants to register into the IESO-

¹ [Ministry of Energy - Long-Term Energy Plan 2013](#)

PART 3 – DESCRIPTION OF THE ISSUE

administered market.

Wholesale Metering:

Any potential required changes to the DR participants’ metering requirements, metering and verification plans submitted to the IESO, and baseline methodology.

System Operations and Physical Markets:

The design elements and program rules transferred from the current OPA DR3 programs with respect to eligibility, parameters of the program, compliance to the program, operation and dispatch.

Settlements and Billing:

Inclusion of the settlement and cost recovery process of the DR3 program to allow for the recovery of costs for DR through uplift.

Definitions:

New definitions required for DR program operation and registration (i.e. new market participant class, if required).

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 translate the Ontario Power Authority’s wholesale Demand Response contract terms into the market rules. This will enable administration of this wholesale Demand Response program to be transferred to the IESO.

PART 5 – FOR IESO USE ONLY

Technical Panel Decision on Rule Amendment Submission: Warrants consideration

MR Number: MR-00408

Date Submitted to *Technical Panel*: June 10, 2014

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

General Urgent Minor June 17, 2014

Criteria for Acceptance: The amendment submission will enable the IESO to transfer the OPA Demand Response 3 contracts into a market based approach administered by the IESO market rules.

Priority: Regular

Criteria for Assigning Priority: Ontario’s 2013 Long-Term Energy Plan signaled that the responsibility for existing and new demand response initiatives will be transferred from the OPA to the IESO.

Not Accepted (please indicate with x):

PART 5 – FOR IESO USE ONLY

Clarification/Interpretation Required (please indicate with x):

Technical Panel Minutes Reference: IESOTP 281-1

Technical Panel Comments: _____