

# peaksaverPLUS® Program Review

## Response to Stakeholder Feedback

During the stakeholder webinar for the *peaksaverPLUS* Program Review stakeholder engagement, the IESO reviewed the current status of the program, discussed interim proposals, and provided a set of questions designed to inform a final recommendation for the program.

The IESO received feedback from:

Toronto Hydro  
Energate  
Paul Acchione, MIDAC Corp.  
London Hydro  
Tom Adams  
Powerstream, Enersource, Horizon, and Hydro One Brampton (Group Comments)  
Cornerstone Hydro Electric Concepts Association (CHEC) Inc.  
Peterborough Distribution Inc.  
North Bay Hydro  
Energy + Inc.  
St. Thomas Energy Inc.  
ecobee  
Hydro One Networks Inc.  
Milton Hydro  
Guelph Hydro  
Nest Labs  
EnergyHUB  
City of Toronto  
Rodan  
Naren Pattani (Ratepayer)  
Hydro Ottawa

This feedback has been posted on the IESO stakeholder webpage for this engagement. Below is a high-level summary of the feedback received along with the IESO's responses.

### Question

*What issues do you foresee transitioning peaksaverPLUS to a market-based structure? What barriers would need to be addressed to accomplish this?*

Stakeholders identified a number of issues and considerations summarized below:

- The commitment period for the IESO Demand Response Auction is six-months whereas the resources in the *peaksaverPLUS* program may only realistically be available to provide capacity during the summer cooling season (typically between June-September).

- How would peaksaver capacity be bid into the market? (Strike price? Energy bids?).
- The metering requirements in the DR Auction could not be fulfilled with typical residential smart meters.
- The minimum size for participation in the Auction could also be a barrier given the number of aggregated residential loads required to meet a >1MW threshold. Similarly, stakeholders wanted further clarity on the economics of residential participation and what an individual participant could expect to receive in an Auction.
- The fact that *peaksaverPLUS* devices and technology are funded via the global adjustment may raise fairness issues if this capacity is allowed to compete with industrial DR participants.
- Some LDCs want to continue to play a central role as aggregators for their customers but argue certain DR Auction requirements such as penalties, prudential support, deposit requirements, zonal constraints and unpredictable revenue streams would not allow them to participate in this way.

### **IESO Response**

*The IESO plans to investigate existing barriers to residential participation in the DR Auction through the [Demand Response Working Group](#). The issues identified in this engagement will be brought forward for review and discussion in that forum.*

### **Question**

*Recognizing the limited value of existing technology, should the IESO fund LDCs to update the *peaksaverPLUS* offer to customers to allow for new technology options?*

There was a wide variety of views from stakeholders on the value and efficacy of the program itself and with respect to an updated technology offer. There were also different perspectives on the rationale for the program/devices: ( Is the focus on DR, energy conservation, customer engagement?). These views included:

- Support for the program and technology in its current state
- Support for a greater focus on synchronizing programmable thermostats across many households/regions as a load shifting resource
- A few LDCs have already included in their program offering display technologies with two-way communications capabilities in addition to pager network readiness
- Questions as to whether the program was needed at all and whether more cost effective options were available to meet capacity needs. IESO should do an analysis to determine need and effectiveness
- Advocating modifying/replacing with several alternatives:
  - a more 'customer-based' program with a focus on energy/bill savings
  - a bring your own device (BYOD) program tailored and designed to meet local/utility needs
  - an expanded program with a more holistic approach beyond just DR.

- Some stakeholders were concerned about what would happen without a central funding model or some kind of incentive/rebate offer. However some LDCs said they saw energy efficiency, customer engagement and long term innovation value with the program and will make a business case to continue to run and fund a residential thermostat program to support energy savings targets if IESO *peaksaver*PLUS funding is no longer available.

### **IESO Response**

*There is considerable diversity of opinion among stakeholders about continuing the program and different views about the design, purpose and scope of the program both now and over the longer-term. The IESO believes that a province-wide program model for demand response does not meet the objectives identified by stakeholders. The IESO's recommendation is to move away from the current design and allow LDCs to design and make a business case for a residential energy management program that best meets local needs and objectives.*

*The IESO will continue to use the peaksaver PLUS resource and provide funding for maintenance of currently enrolled devices, but will cease funding for new installations as of the beginning of 2016. In tandem, IESO will work with stakeholders in the context of the DRWG to facilitate participation of residential DR in the DR Auction.*

### **Question**

*Do you have existing inventory of devices that have not been installed? How much inventory and how do you believe this should be handled?*

- Inventory varied by type of technology and LDC. Many LDCs supported some means to exhaust the existing stock of inventory over some time period (eg. 1 yr) through continued installation, repurposing for other programs, or a bulk purchase/sale opportunity. Ongoing maintenance cost and support would also be required for a period of time.
- Alternatively these devices should be treated as stranded assets and costs should be recoverable by LDCs from the IESO.

### **IESO Response**

*The IESO will work with LDCs on potential solutions for disposition of remaining inventory of peaksaver PLUS devices that LDCs have bought but have not yet deployed in the program.*

### **Question**

*What related opportunities do you see in the rapidly evolving connected home/home automation space?*

While individual feedback varied, stakeholders identified some common ideas/opportunities:

- Importance of interoperability standards such 'Open Automated Demand Response' (OpenADR)

- The 'smart thermostat' can be the gateway to more holistic, integrated energy management incorporating the 'internet of things' and evolving toward the 'connected home'.
- Moving beyond HVAC management toward whole home automation including smart water heater controls
- New technologies also portend greater customer empowerment and sophistication
- The utility should remain the primary driver and is best suited to maintain customer trust and acceptance.

### **IESO Response**

*Thank you for the feedback. This information has been captured and will be brought forward for further discussion in the DRWG and other related stakeholder forums.*

### **Other Comments**

Presentation slides refer to various cost per unit figures. Can IESO provide the data used to calculate these figures?

### **IESO Response**

*This information is taken from the 2011-14 Master Agreement between IESO and LDCs; the IESO is unable to make this data publicly available due to commercial sensitivity.*

In matters such as the review of the program, the ratepayers need to be made more aware more effectively about the stakeholder process. The IESO should issue media briefs and/or insert suitable notices in major provincial newspapers about stakeholder processes that directly impact ratepayers.

### **IESO Response**

*The IESO strives to conduct open, public and transparent stakeholder consultations consistent with our engagement principles. IESO utilizes a number of communications vehicles including the IESO Bulletin which has a subscription of several thousand stakeholders; targeted communications to groups and individuals; and presentations to the IESO Stakeholder Advisory Committee which has [representatives](#) from the consumer sector.*