



**Economic Demand Response Pilot Program Workshop (Economic DRPP)
Flip Chart notes
November 20, 2003 Toronto, Ontario**

During the workshop IMO staff captured stakeholder comments on flipcharts. The following is a list of the comments captured during the workshop. The IMO is assessing the feedback received and will factor it into the development of the Economic DRPP. Comments in square brackets [] have been added for clarification.

Comments/Input

- Remove the word “pilot” from the project
- Local Distribution Companies (LDCs) will face lost revenue and possible penalties
- Price signal for generators and loads is the same – the opportunity to respond is not
- Allow/consider alternative measurements [of DR]
- A longer term will reduce risk
- Base the term on the amount of DR provided, i.e. the number of hours
- Interest in 1 hour and 2 hour notice periods better than 3 hour
- There is a cost associated with response – need infrastructure
- Need affirmation [that pilot participant will provide] Economic DRPP before Operating Reserve is withdrawn
- Baseline – allow pilot participants to provide notice of exceptional circumstances
- Who creates the baseline?
- Estimate of response times [lead time to being able to participate in DR program]:
 - Industrial < 3 Months
 - Commercial 3 – 6 Months (excluding setting up aggregator)
 - [Lead times] depend on market stability
 - Residential
 - Infrastructure, interval meters
 - Not enough hours for response [based on analysis provided]
 - Compensation for LDCs and aggregators

Issues

- For industrial load when payments go away some of the DR will go away
- Cost recovery from rate payers
- Is uplift in wholesale charge?
- Process to become an MP is too onerous
 - Facility/metering requirements
 - IT interface
- Pay back period [2 –3 years] too short
- Need definition of aggregator
- Will diesel back up generators be included? Natural Gas back up generators?
- Inequality of eligibility
- Need same economic driver as supply
- Need smaller bid size (100 MW)
- Can you aggregate across LDCs?

- Affects revenues/penalties
- LDC looking for cost recovery net of payment from program
- Need to be clear on eligibility criteria
- If LDCs are to be aggregators then OEB needs to be involved
- One price threshold is sufficient for participants [lower threshold will provide more take up]
- Benefit of different thresholds – allow more DR to be obtained [ratchet effect]
- One notice period and one price threshold
- Participants – practical response time (15 – 30 minutes)
- Is total DR limited? I.e. ranking/selection
- Compensation for quick response?
- Consider automating response
- Notification to IMO – include MWs
- Payment – dispatch or pre-dispatch whichever is greater
- Mechanisms to address compliance (may not be monetary) [removal from pilot]
- Impact of technology and length of event
- May need additional inducement [i.e. to cover capital costs]
- 1 hour duration – may need longer minimum (bid in price and duration)
- Need guaranteed pre-dispatch price
- Possible to create a selected block based on PD price
- More active notification
- Notification – may need finer controls
- Commercial interests can provide signals [obtain current data from IMO and re-package it for Economic DRPP participants]
- Operating Reserve [a large number of issues to address]
 - OR requires 30 minute [response]
 - Compliance
 - Equity with self-scheduling generators
- Industrial, commercial, retail – parallel paths?

Parking lot

- Wrong objectives
- Need larger involvement for standards (Government, Industry)
- Missing driver – load needs to be paid
- [Purpose of pilot] – understand market or encourage new [DR]