

# Engagement Plan

## Demand-Side Vision

### Introduction

Discussions within this engagement will explore the enhancement of participation models for Demand-Side Resources in the IESO-Administered Market (IAM) and Programs. This engagement intends to seek solutions to optimize resource utilization, minimize costs, and enhance grid reliability while encouraging and incorporating advancements in technology and Demand Response participation models to fuel innovation within the sector.

The IESO has a long-standing commitment to engagement with the Demand-Side community. Previously, the Demand Response Working Group (DRWG) helped design and implement the first Demand Response Auction in Ontario in 2015. Since that time, the IESO and stakeholders have benefited from engagement to evolve the Hourly Demand Response (HDR) resource to grow cost-effective capacity in Ontario.

The IESO is looking forward to discussions with this community of resource proponents and the advancements and progress expected through open discussions to enhance participation.

### Background

Demand Response (DR) provides an opportunity for consumers to play a role in the reliable operation of the electricity grid by reducing or shifting electricity usage during peak periods or other times of system stress, in response to wholesale market or grid operator signals. DR has been active as a resource in the Ontario electricity system for over fifteen years, including in previous Ontario Power Authority Demand Response programs and, currently, in the IESO-Administered Markets (as an Hourly Demand Response Resource or a Dispatchable Load).

Participation of DR in the Capacity Auction has grown significantly over time. In order to deliver the capacity procured through the auction, the resource must participate in the energy market. However, the IESO and stakeholders have identified issues with the energy market participation of the resource, with the energy performance falling short of the capacity commitment. As Ontario enters a period of demand growth and tightening supply, it's important to optimize use of all available resources. Further work is required to ensure the optimal DR participation model(s) for the future.

## Stakeholders and Communities

The IESO encourages all interested parties and Demand-Side stakeholders to participate in this engagement through the public engagement activities. The IESO anticipates this initiative will be of particular interest to current and prospective Market Participants, i.e., large commercial, industrial and institutional loads, aggregators, distributed energy resources, and/or service providers and associations.

## Engagement Objectives

The IESO Engagement principles that guide this engagement include inclusivity, transparency, efficiency, and innovation. The expected outcomes and results of this engagement include:

- The benefits and effort required to implement enhancements that optimize the use of Demand-Side resources, while enhancing reliability, and enabling cost-effective contribution to the power system are scoped
- Opportunities are prioritized on near-term enhancements that can be realized within the next one to two years balancing effort and reward
- Longer-term opportunities are identified for Demand-Side resources to contribute to the reliable and cost-effective operation of the power system
- All relevant stakeholders are involved in the discussion resulting in diverse perspectives for inclusivity
- Stakeholder's are informed of decisions and processes and feedback is adequately addressed

## Approach

This is a public engagement process and all materials will be posted on the dedicated IESO engagement webpage, and, feedback provided by stakeholders will be posted (with their consent). The Engagement Plan will be implemented in accordance with the IESO's approved engagement principles. The IESO will use the following tactics for engagement:

- Engagement sessions (public meetings) will consist of open forums to share and exchange ideas and information
- Technical sessions/Working Groups with select individuals to address challenges and opportunities identified by stakeholders and the IESO

## Proposed Engagement Schedule

Anticipated timing for this engagement is presented below and subject to change:

| Timing                  | Engagement Activity  |
|-------------------------|--|
| July-September 2023     | Targeted outreach to interested parties in the sector to refine the scope and focus ahead of the fall Demand-Side Vision engagement session.   |
| September 2023          | Initiate public engagement to discuss scope of working group and seek feedback on the draft vision and principles and planned scope; solicit participation in first working group session. |
| November 2023           | First Session with interested parties to identify and discuss merits of group priorities   |
| Winter 2023/ Q1-Q2 2024 | Collaborative workshops and stakeholder consultations to further discuss and refine potential solutions.   |
| Q3 2024-onward          | Continue ongoing meetings and outreach as required   |

## Additional Background and Resources

The IESO manages an annual Capacity Auction which many of the interested parties in this engagement are either participating in directly or would be interested to learn more about.

IESO Capacity Auction: <https://ieso.ca/en/Sector-Participants/Market-Operations/Markets-and-Related-Programs/Capacity-Auction>

## Related Engagements

The link above is for information on the Capacity Auction whereas below is a link for the engagement on the Capacity Auction which seeks to enhance the program year over year.

IESO Capacity Auction Engagement: <https://ieso.ca/en/Sector-Participants/Engagement-Initiatives/Engagements/Capacity-Auction-Enhancements>