Feedback Form - Public

Interruptible Rate Pilot: Initial Design Elements – October, 2022

Feedback Provided by:

Name: Click or tap here to enter text.

Title: Click or tap here to enter text.

Organization: Workbench Energy

Email: [redacted]

Date: October 28, 2022

Following the focused consultation sessions with potential pilot participants, the IESO is seeking feedback on a number of questions related to initial design elements of the Interruptible Rate Pilot.

Please provide feedback by October 28, 2022 to engagement@ieso.ca. Please use subject header: *Interruptible Rate Pilot*.

To promote transparency, your responses in this public feedback form will be posted on the Interruptible Rate Pilot webpage, unless otherwise requested by the sender. If you would like to submit feedback confidentially, please use the additional feedback form labeled as 'Confidential'.

The IESO will consider and work to incorporate comments, as appropriate, and provide responses at a follow-up session with potential pilot participants in November 2022. Thank you for your valuable contribution to the consultation process.

Public Feedback: Specific Questions

Please note: Responses in this section will be posted on the Interruptible Rate Pilot engagement webpage.

Topic	Feedback
Please provide feedback on the draft eligibility criteria and interruption process, including in particular the following square bracketed parameters that are contained in the IESO's consultation deck: On slide 9, re: draft eligibility criteria: - have peak demand of at least [5] MW - have the capability to interrupt at least [20-50%] of its peak demand for four hours - have a maximum of [20-50] MW of curtailable demand On slide 11, re: interruption events: - subject to a maximum of [40-100] interruption hours and [10-20] events per year On slide 13, re: contract demand dead-band: - If actual demand is greater/lower than a [±5%] dead-band around the contract demand, then non-performance/incentive rates would apply	It is important for market transparency and efficiency that any curtailment direction from the IESO to pilot participants be posted publicly. Where does the IESO plan on doing this?
Please provide feedback on the five rate design options that Brattle presented. Which options do you prefer and why? What options are you the most opposed to and why? Do you prefer the use of a "fixed" (i.e., constant throughout the pilot) or "floating" (i.e., changing based on monthly Global Adjustment) pilot settlement?	The rate design documents are listing economic signals as one of the priorities, however, the IESO is saying that they will identify the specific periods for curtailment and therefore are driving the load behaviour instead of the rate structure. How will these be aligned?
Please provide any feedback on the proposed method of exiting the pilot (as described on slide 14 of the IESO's consultation deck)?	
Do the tentative project timelines work for you to participate in the pilot (see slide 7 of the IESO's consultation deck)?	Since a facility with a Capacity Auction obligation is unable to participate in the pilot and the design details of the pilot won't be available until after the Capacity Auction, potential pilot participants will have to decide to risk losing Capacity Auction revenue before knowing the potential of the Interruptible Rate Pilot.

Public Feedback: General Comments

In the presentation, the IESO emphasized that the IRP design would lead to a reliable grid resource for reducing demand when the IESO determines there is a system need. This appears to be a critical element from a viable long term rate design. From a system planning perspective, there appear to be two key unanswered questions with regards to the reliability of the pilot with regards to system benefit:

1) How will the IESO account for the risk of the maximum number of curtailment days being reached by IRP participants? An extended heatwave or a hot summer followed by a very cold winter could lead to the IRP pool reaching its maximum curtailment days ahead of a day of need. How does the IESO plan on factoring this into its system planning process?
2) Thus far, the IESO has not provided any details on what the penalties for non-performance during an activation will be. These penalties are critical to determining the reliability of the IRP pool. If penalties are set too low, then it is unlikely the IESO will receive consistent performance. However, if penalties are too high, participation in the pilot will be unattractive. We recommend the IESO complete more extensive stakeholdering on the penalty design prior to reporting back to the Ministry to ensure the right balance is reached.