

ADC TOR Feedback

Hi Cheryl,

Here is some feedback for consideration as you reinvent the DR group:

I think the draft terms of reference that were developed initially were good and still appropriate. Where the group got hung up was the broad participation - I think there are more than 50 people on the distribution list. Ideally if the group could be led as a sub-group of MAC like the price-cap sub-committee with selective membership that may prove to be most productive. As Sheldon mentioned, 2 sub-committees were formed to look specifically at the Economic Demand Response Products and the Reliability products. As the reliability subgroup was largely just AESO folks both groups could be merged together and work to develop the recommendations to share with the broader group.

The product that we (being ADC) have been most active in is the LSR procurement process. There is an immediate need for the AESO to contract this service and it could serve to act as the platform of all future DR products. On this front, we have engaged customers in 2 workshops to share the technical requirements of the service and also to get input into the procurement methodology. Feedback has been provided to the AESO through Paul.

As far as priorities, I think the procurement of reliability products are within the current AESO mandate and if we can get these moving quickly, then the loads such as the ADC ones can start benefiting from the value they provide to the system. I don't feel good about manufacturing facilities closing down because of power costs. With Canexus's closure, the system lost a 40 MW price responsive load, an LSS provider, and an operating reserve provider.

I would be interested in hearing your perspective on the time-lines for getting the LSR procurement process in place.

As far as the economic DR products go, I also am interested in hearing what you think the AESO's role in that should be. It was never clear to me if the AESO felt this was within their mandate or how they would procure such a product. That being said, I would also like to understand what loads can do today with respect to bidding in their volumes, and if it means anything different financially for them vs the current state.

I can't attend the meeting in person tomorrow. If you have conference call details, let me know.

Thanks!
Colette