THE
ELECTRICITYINSIDER

INFORMATION • TOOLS • RESOURCES

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Upcoming Webinar: The IESO & Demand Response

The IESO is hosting a free 90-minute Demand Response webinar on July 22. This will be an opportunity for Ontario business and institutional consumers to learn more about the current and future IESO Demand Response initiatives. The webinar will discuss:

- Changes to the DR3 program. As of June 1, the new DR3 triggers are based on market price rather than supply factor.
- Future plans and opportunities for demand response in Ontario
- Resources and information available to consumers

The webinar will take place on July 22 from 1:00-2:30pm. To register for the webinar, please send an email to stakeholder.engagement@ieso.ca

Expansion of the Industrial Conservation Initiative (ICI)

The government of Ontario introduced the Industrial Conservation Initiative (ICI) in 2010. Rather than be charged on a volumetric basis, customers with peak demand greater than 5 MW in a month are charged Global Adjustment based on their percentage contribution to the top five peak demand days each year. Class A eligible customers who do not wish to participate must opt out on an annual basis.

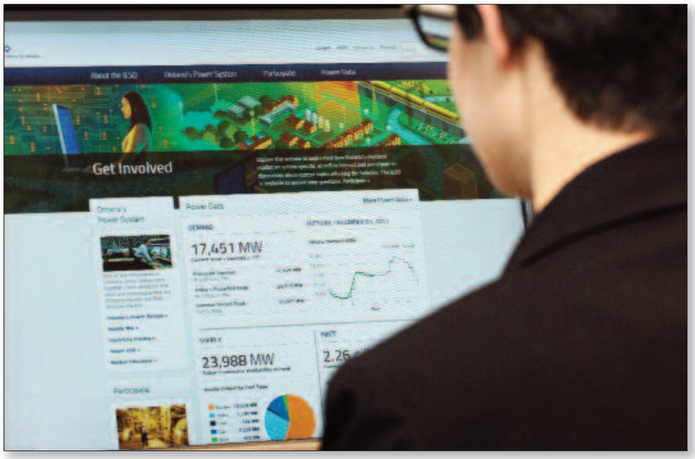
The government recently expanded the ICI to include eligible customers with peak demand for electricity between 3 MW - 5 MW in a month. In order to be eligible, customers in this range must also be classified under the North American Industry Classification System (NAICS) as one of the following:

- 21 (mining, quarrying, and oil and gas extraction)
- 31 to 33 (manufacturing)
- 1114 (greenhouse, nursery, and floriculture production)
- 49312 (refrigerated warehousing)
- 518 (data processing, hosting and related services)

Newly-eligible Class A customers must actively opt in to the ICI. These customers who decide to opt in would be charged GA based on their consumption during the top five peak demand hours each year. Businesses should start reducing their energy use this summer during peaks to take advantage of lower Global Adjustment costs next year.

For more information, please contact your Local Distribution Company or visit www.ieso.ca/globaladjustment

IESO Resource Materials for Large Volume Consumers



With the ongoing changes in the Demand Response initiatives, the IESO has created a range of new material to provide more information for consumers. They include:

- ***Demand Response: A Smart Approach to Energy Management.*** This new brochure highlights the available Demand Response initiatives to help businesses manage their energy costs. It introduces the benefits of Demand Response, highlights the new DR3 program changes, and discusses the expansion of the Industrial Conservation Initiative (ICI).
- ***ICI Backgrounder.*** This handout provides more detail on the Industrial Conservation Initiative (ICI) and the recent expansion.
- ***Global Adjustment Backgrounder.*** This backgrounder was recently updated with new data and more information on the ICI.
- ***Managing Your Electricity Costs: A Guide for Business.*** Understanding how and when your facility uses electricity will have an impact on your organization's bottom line.

This IESO brochure explains how your company can set goals for more efficient energy usage that can significantly reduce your electricity costs. Included in the brochure are case studies of businesses that have implemented some of the recommendations for managing electricity costs.

To order complimentary hardcopies, please send an e-mail to the Communications team at communications@ieso.ca with your name, mailing address and the quantity requested. Most these brochures and handouts can also be downloaded from our website www.ieso.ca/market.education

18-Month Outlook - Adequate Electricity Supply, Lower Peaks this Summer

The IESO released its quarterly 18-Month Outlook in June. The report, which covers June 2014 – November 2015, projects adequate supply levels and reliable transmission service throughout the 18 month period.

Over that time, approximately 3,500 megawatts (MW) of new generation is forecast to come online. The new generation comprises wind, hydroelectric, biomass and the province's first grid-connected solar generating units. At the same time, demand response is expected to play a role in reducing summer peaks.

As of June 1, new Demand Response 3 (DR3) triggers that are based on market price rather than supply factors came into effect. As a result, DR3 resources are expected to be used when they are most needed.

Overall, electricity demand is expected to remain flat in 2014, due in large part to generation embedded in the low-voltage systems owned by local distribution companies.

The 18-Month Outlook can be accessed at: www.ieso.ca/Documents/marketReports/18MonthOutlook_2014jun.pdf

Consumer Engagement – Upcoming Schedule

The IESO will be at the Association of Municipalities Ontario (AMO) AGM & Annual Conference in London, Ontario on Aug 17 – Aug 20, 2014. For more information, please visit www.amo.on.ca

The IESO is a not-for-profit organization that manages the reliability of Ontario's power system and operates the wholesale electricity market where the hourly price of electricity is set. Through its market education program, the IESO works with consumers paying the market price by creating educational material on the market and providing opportunities for consumers to learn about the electricity sector and how they can better manage electricity costs. For more information on the IESO's market education program, please contact:

Email: Communications@ieso.ca
Twitter: www.twitter.com/IESO_Tweets
Facebook: www.facebook.com/OntarioIESO

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