



CORPORATE FACILITIES MEMORANDUM

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TO: MAYOR J. LEHMAN AND MEMBERS OF COUNCIL

FROM: R. PEWS, DIRECTOR OF CORPORATE FACILITIES, EXT. 4710

NOTED: D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: INDEPENDENT ELECTRICAL SYSTEM OPERATOR'S (IESO) DEMAND RESPONSE (DR) PROGRAM UPDATE - ALL WARDS

DATE: SEPTEMBER 23, 2019

The purpose of this Memorandum is to provide members of Council with an update concerning the Independent Electrical System Operator's (IESO) Demand Response (DR) program.

The Demand Response program is an energy rationing system for electric power supply. Customers who engage DR programs can voluntarily ration energy usage during peak consumption periods. This activity offers the customer price incentives (lower net unit pricing) based on demand response activities during the peak period.

Demand Response as it pertains to the City of Barrie is an enrolment based program whereby 3rd party IESO sponsored consultancies engage City owned facilities. Energy assessments are completed to see what the load shedding capabilities are and then targets are set. Based on set targets, provincial demand and actual performance, each facility will receive payment for simply agreeing to try to reduce demand and real time energy consumption.

Allandale Community Centre has been involved in the demand response program since 2013 with a demand reduction target of 75kW. Since this date the facility has had a revenue of \$16,500. It is important to note that a majority of the revenue is passive and is generated by becoming a participant. Additionally, the risk in not reaching the demand target is with the consultancy, and the client (Allandale Community Centre) does not pay penalties for not achieving the 75kW target.

This program structure is modelled after the need to generate as much potential provincial load shedding capacity rather than small guaranteed reductions. Generally, there is enough involvement from various sectors to support a provincial load reduction rather than enter a topping scenario requiring more electricity purchase or creation.

There are many benefits to the City and its enrolled facilities, the obvious being the receipt of passive revenue generated by participation. Additional benefits include the value of site energy assessments by 3rd party consultants, engineers and energy managers. This exposes our facilities to industry best practices and allows for day to day energy use improvements.

The facilities staff will continue to pursue other opportunities for DR as it makes technical and economic sense for our facilities. It also exposes our operators, managers and buildings to positive outside influence in the form of energy best practices.

Should you have any questions regarding these or other initiatives, please do not hesitate to contact me at extension 4710.