

What is a ‘Non-Wires’ Demonstration?

A local energy market that uses alternative energy resources to power local communities. Instead of traditional wires infrastructure, energy is sourced from local distributed energy resources (DERs) such as gas-fired, energy storage, and demand response resources.

The demonstration will operate in a simulated, test environment that is isolated from the IESO market and system operations. Alectra will act as an Independent Distribution System Operator (DSO) in the demonstration, facilitating third-party competition to secure and activate participating DERs.

What are the benefits?

New revenue opportunity

Participants earn revenue from both a monthly availability payment in return for agreeing to commit their energy capacity plus Distribution Locational Marginal Price payments for delivering energy or reducing consumption over the course of the commitment period. A test activation payment will be paid to contracted DERs that successfully complete their test activation.

Energy auction

An easy-to-use online platform makes participating in the demonstration seamless and easy. Participants can start setting up their bids/offers two weeks in advance of the commitment period and leave them as a standing offer or change them throughout the commitment period. An online dashboard will enable participants to track their running earnings throughout the commitment period.

Aging technology replaced with clean resources

With the rapid growth of DERs these ‘non-wires’ alternatives are a cost-effective, reliable, and environmentally-sustainable solution to addressing system constraints and helping to defer the need for traditional wires infrastructure.

Who can participate?

The local market takes place within a designated demonstration area of Southern York Region, Ontario, where electricity demand is forecasted to outpace system capability within the next 10 years (see alectra.com/NWA for the boundaries of the demonstration area). To participate, an organization must be an existing Alectra customer or aggregator of DERs within the demonstration area; have a valid Alectra meter; have a gas-fired resource, battery storage, or demand response capabilities (including commercial, industrial, institutional or residential); and an energy capacity ranging between 100kW and 3,000kW, with the ability to provide energy for 4 consecutive hours when activated. *(Program rules section 2)*

How does the Energy Auction work?

Alectra, the acting DSO, will assess daily if a local or wholesale market energy requirement is likely to occur. If Alectra identifies a need, a standby notice will be issued no later than 7am, followed by an activation notice no later than 2 hours ahead of the activation hours. Once activated, participants will be settled consistent with the Distribution Locational Marginal Price for the energy delivered or reduced during the activation hours. *(Program rules section 6)*

How does Demand Response compare to Storage and Gas-fired resources?

Demand response participants will submit energy ‘bids’ identifying the price at which they are willing to reduce their energy usage. Storage resources and gas-fired resources will submit energy ‘offers’ identifying the price at which they are willing to deliver their energy.

What are the Requirements & Milestones?

Initial Registration Period	
Open Window	Sept. 23 – Oct. 28, 2020
Registration Requirements	Register the organization and DERs available for participation.
Local Capacity Auction	
Auction Deposit	Nov. 10, 2020 Equal to \$2/kW multiplied by the eligible DER capacity.
Offer Window	Nov. 18-19, 2020 Submit your capacity offer for each eligible DER. (Quantity offered cannot exceed eligible capacity. Price must stay within maximum capacity price).
Forward Period	
Contract Execution	Dec. 2, 2020 – Jan. 6, 2021 Return your signed contract by Jan. 6th.
Supplemental Registration	Finalize registration of DER(s) by March 31, 2021. Full details required at this stage.
Bid/Offer Settings	You can start setting up your daily/hourly energy bid/offer as of April 14, 2021, in preparation for the energy auction starting May 1.
Commitment Period, Local Energy Auction	
Commitment Period	May 1 – Oct. 31, 2021
Commitment Hours	07:00 – 21:00 EST, Mon-Fri.
Activation Notification	"Standby Notice" warning provided prior to 07:00 EST, dispatch activation notice provided no later than 2 hours in advance of activation. Test activations will receive a 1-day notice.
Number of Activations	Up to 10 activations and 2 test activations.
Activation Length	Up to 4 hours
How Much Can I Earn?	Up to \$280,000/MW for the duration of the commitment period, subject to local auction clearing price. Estimate based on a capacity price of \$1.6/kW-day and Energy Price of \$2/kW, for 10 activation events, four hours each, and one test activation.

Are there charges for failing to deliver on a Bid/Offer?

There are non-performance charges, as a means to claw back demonstration payments, where applicable, if a participant does not follow through with its commitment(s). *(Program rules section 7.4)*

Where do I register?

Visit YRDemo.com to register today. Registration closes October 21, 2020. You must register in order to participate in the Local Capacity Auction that takes place on Nov 18th and 19th. Participants that clear the Local Capacity Auction will be issued a contract by December 2nd towards the Local Energy Auction, for the May 1 – Oct. 31, 2021 commitment period.

Questions or comments?

Call **1-844-210-2131** | email NWADemo@AlectraUtilities.com

Or learn more at Alectra.com/NWA