



Power to Ontario. On Demand.

IESO SENIOR MANAGEMENT UPDATE

To: Stakeholder Advisory Committee

Date: August 25th, 2010

Subject: **Demonstration Project to Provide Regulation Service – Status**

Information Item

Regulation service acts to match total system generation to total system demand on a second-by-second basis. By helping to correct variations in power system frequency, it reinforces the stability and reliability of the power system.

The Alternative Technologies for Regulation Demonstration Project will test new ways to provide regulation service to Ontario's electricity market. An RFI (*Request for Information*) was issued earlier this year seeking participants for a study to evaluate the possibility of distributed loads and other non-generating technologies in providing regulation service. Two respondents, Sempa Power Systems Ltd and Hydrogenics Canada were selected to participate in the study.

During the expected two-month study period, the participating companies will receive signals from the IESO, which will monitor and assess participants' responses to these signals. The research findings will also identify any necessary administrative, regulatory and technical changes that may be required to facilitate the integration of different resources on Ontario's electricity system.

The project is currently in the development stage and production testing is expected to commence in the October/November 2010 time frame.