NAESB UPDATE MEETING

October 3, 2008

DSM EE RETAIL GROUP

Project Objective

- Verify load reductions that are expected from Demand Response Programs

- Be able to state the confidence level of load reductions for Demand Response Programs

Recent Activity

- Utilize small working group to develop process flow and M&V steps for a typical demand response program – identified subject matter experts:
  - Cheryl Hinds, Wilbur Johnson, Kathy Johnson, Mark Williamson, Cliff Grimm
- Reviewed AEIC load research flow chart
- Agreed on M&V steps
- Developed process flow diagram
- Developed model business practice draft template based on flow chart
- Developed two independent processes for an example AC load control program
  - Cheryl Hindes
  - Wilbur Johnson

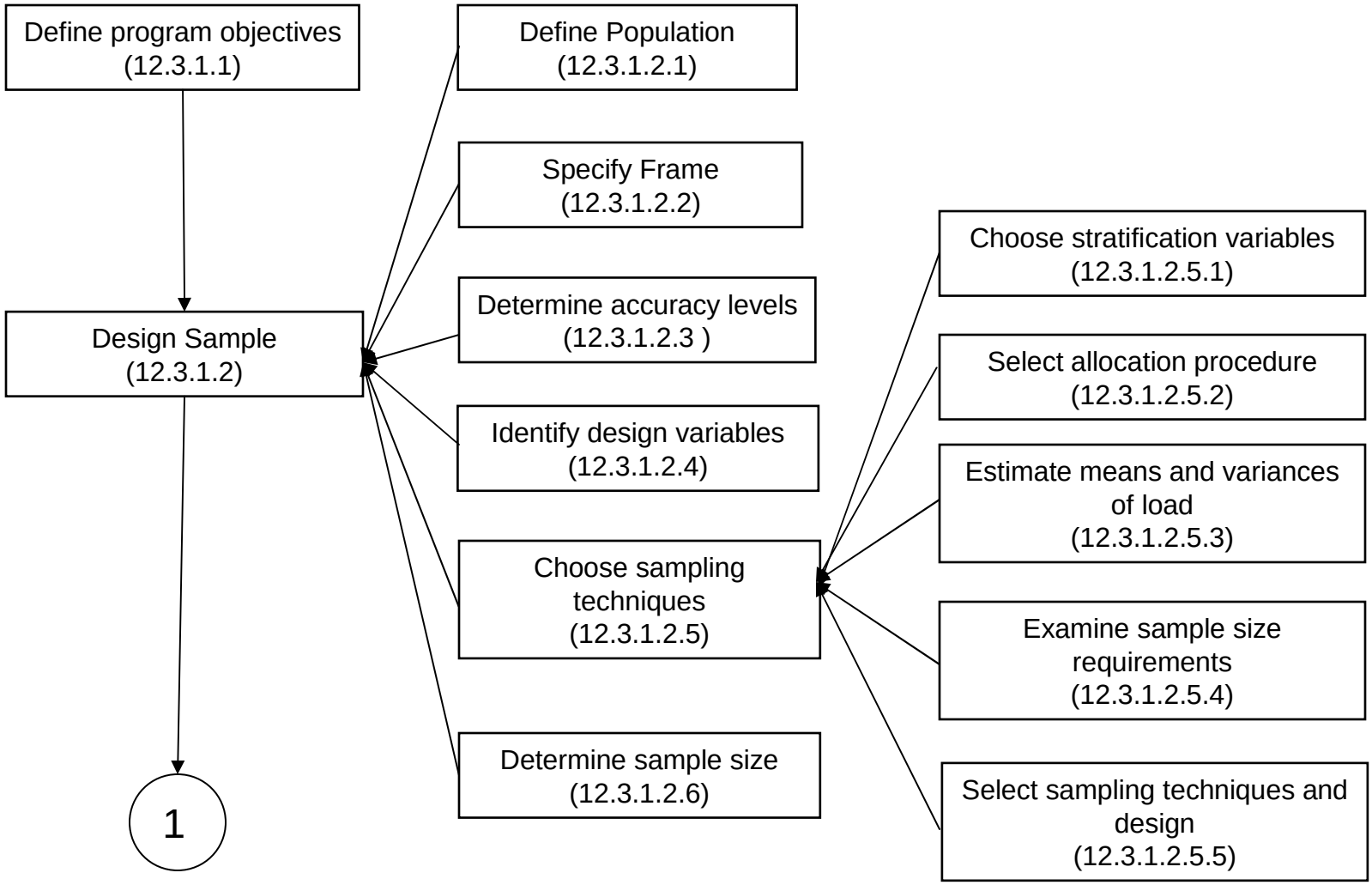
Load Research Process Steps

- **Determine Objectives**
- **Define Population**
- **Specify Frame**
- **Determine Accuracy Levels**
- **Identify Design (auxiliary) Variable(s)**
- **Tentatively Choose Sampling Technique**
  - **Choose Stratification Variable(s)**
  - **Select Allocation Procedure**
- **Estimate Means and Variances of Loads**
- **Examine Sample Size Requirements**
- **Select Sampling Techniques and Design**

Guideline for Developing Standard

- Review
  - Flow diagram of AEIC load research process
    - Mary Edwards
  - Model Business Practices Formatting
  - Model Business Practice Template
    - Phil Precht

RXQ.12.4 M&V FOR DEMAND RESPONSE PROGRAMS Process Flow



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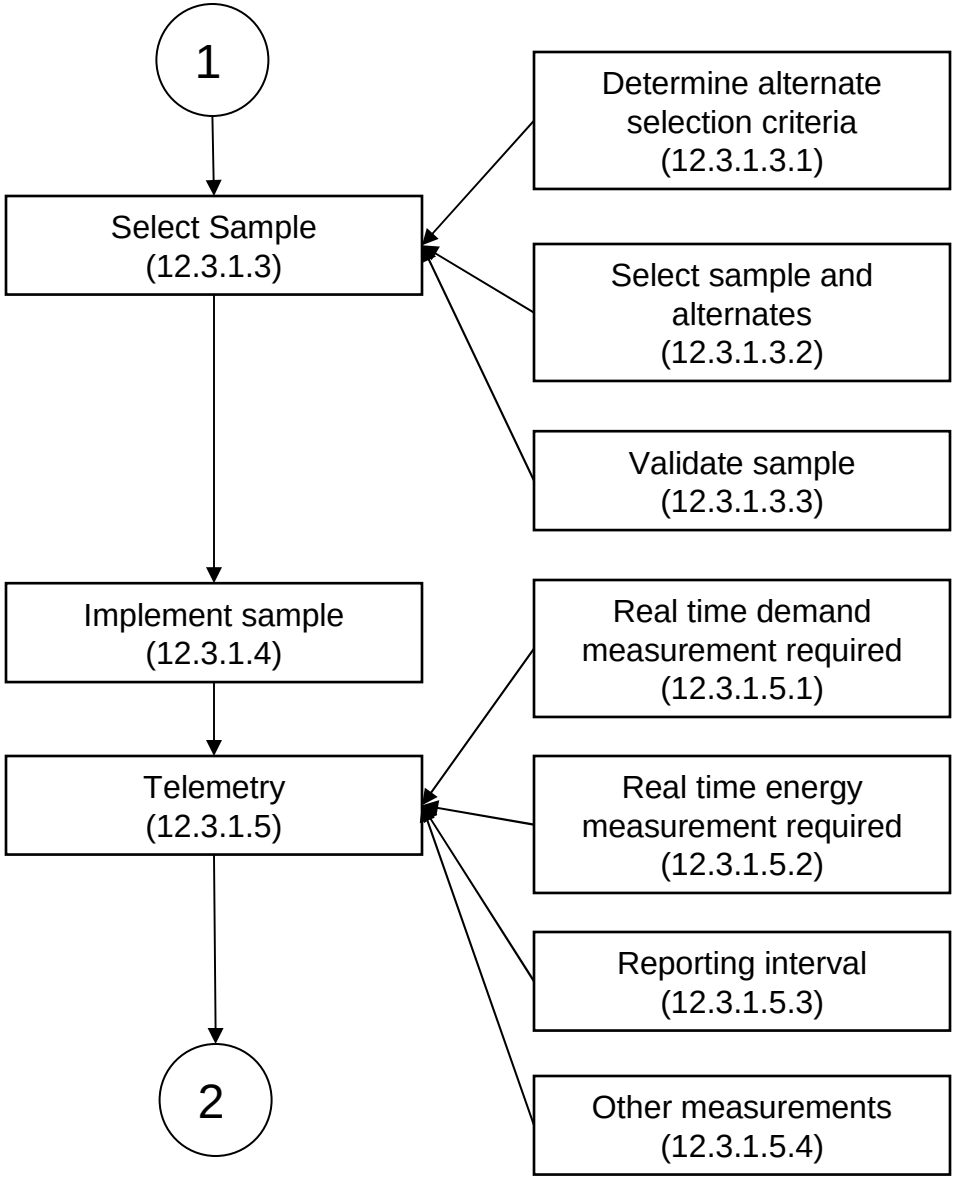

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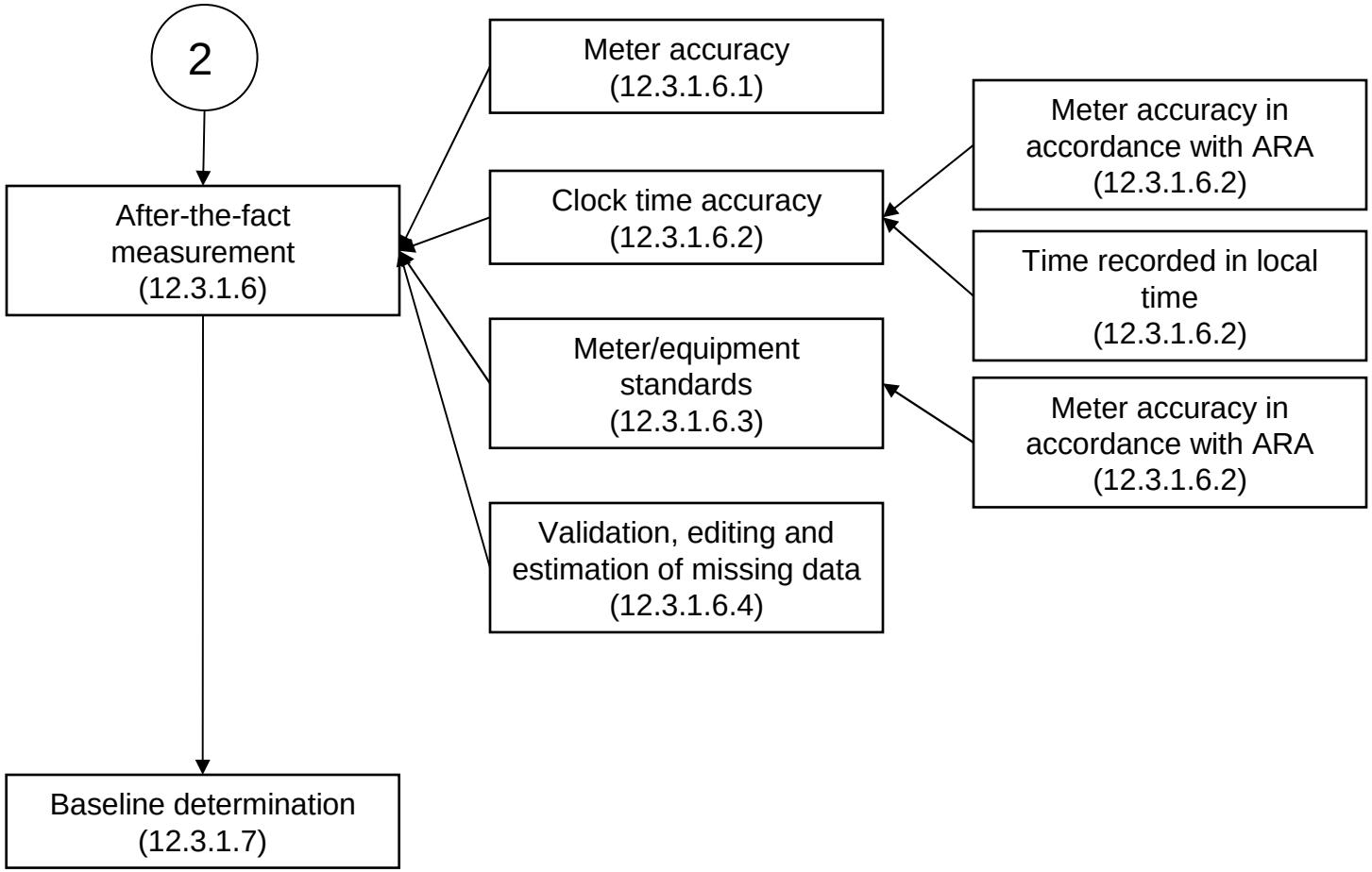

Next Steps (Immediate)

- Face to Face meeting with small working group
  - Refine and finalize steps in flow diagram
  - Fill in model business practice guidelines for each step of the AC program
  - Use the AC model business practice as template to develop business practices for all DR program categories and programs
  - Discuss mass market versus individual customer M&V
  - Discuss baseline approaches

Categories and Types of Other Retail DR Programs

Category	Sub Category	Sub Category	Program
Dispatchable	**Capacity**	**Direct Load Control**	**AC load control**
		Firm Service Level	
		Guaranteed Load Drop	
		Critical Peak Pricing	
	Ancillary Services	**Spinning Reserve**	
		Non-Spinning Reserve	
		Regulation	
NonDispatchable	**Time Sensitive Pricing**	**Time of Use**	
		Critical Peak Pricing	
		Real Time Pricing	

Remaining Steps

- Review and modify the standard template to incorporate other types of programs
- Revise the data collection matrix with lessons learned from efforts to date
- Conduct survey of representative utilities
  - Cover NERC and ISO/RTO footprints
  - Identify all types of DR programs
  - Collect data on each type of program
  - Identify any regional aspects that need to be preserved
- Develop model business practice for each type of DR program similar to the ISO/RTO effort
- Report findings to NAESB

Matrix Status

- 11 demand response programs
- 5 utility submitters
- Revise headings with new M&V characteristics
- Target more submitters for better geographical coverage (i.e. RTO regions, NERC regions)
- Evaluate program diversity