

# Wired Group

Unleashing latent value in distribution utility businesses

## DEMAND RESPONSE PROGRAM ADMINISTRATION AND OPERATION

Utilities can outsource demand response program operations to speed time to market, eliminate the learning curve, and benefit from economies of scale

### Utilities want to know: How can we make demand response programs available to customers quickly, conveniently, and efficiently?

North American utilities are coming to grips with the fact that the supply of dispatchable capacity will be tighter in the future than it has been historically. This will give IPPs an edge at the bargaining table, exposing utilities to higher capacity prices, shorter contract terms, and undesirable features like demand ratchets. What can utilities do to satisfy customer demand at the lowest risk and cost?

Utilities traditionally buy or build the capacity required to meet customer demand. But increasingly, utilities are turning to demand response as part of a comprehensive approach to managing capacity cost and risk. The savings and rate reductions are generally larger than most utilities suspect, and the benefits are likely to be even larger in the future.

Some utilities are concerned about the learning curve and lack of scale associated with operating their own demand response program. For these utilities, the Wired Group offers outsourced demand response program operation services.

**The Wired Group can operate demand response programs on behalf of utilities, delivering benefits without headaches**

### The Opportunity

Through outsourcing, utilities have the opportunity to secure the economic benefits of demand response without the customer satisfaction risk associated with a learning curve or the high “per participant” cost of operating smaller demand response programs.



## **Outsourced Demand Response Program Operation Services**

The Wired Group's demand response program operation services include everything a utility needs to secure capacity cost and risk management benefits. These include:

- Program marketing
- Participant recruiting and contracting
- Participant preparation (including monitoring and controls)
- Participant notification
- Participant customer service
- Demand response measurement and reporting
- Incentive payment administration

When combined with the Wired Group's demand response visioning, roadmapping, and planning services, utilities can obtain custom program designs, tailored operations support, and attentive levels of customer service not available from large corporate demand response service providers.

## **Experience-Based Best Practices**

Wired Group principals and associates have decades of experience designing, implementing, operating, and evaluating the impact of demand response rates and programs. From interruptible rates for industrial customers to residential AC compressor cycling programs, we know what works and what doesn't. We also understand the strategies and tactics most likely to engage customers and maximize behavior change. As just one example, our quantitative and qualitative residential customer research indicates that saving money is only one of many messages utilities can use to motivate customers to shift loads from coincident peak periods.

## **Thought Leadership**

Wired Group perspectives on distribution business value creation are sought and circulated by the most influential industry conferences and media outlets in the US, including:

- **Public Utilities Fortnightly**
- **DistribuTECH**
- **Association for Demand Response and Smart Grid**
- **Smart Grid News**

## **About the Wired Group**

Wired Group principals and associates have decades of experience in distribution utility businesses, including smart grid, demand response, and renewable energy. Our consulting services support visioning, planning, execution, and evaluation. Visit [www.wiredgroup.net](http://www.wiredgroup.net) for more information. Or, for a no-obligation consultation on your utility's demand response operations, contact Paul Alvarez at x-801 or at [palvarez@wiredgroup.net](mailto:palvarez@wiredgroup.net).