



Eastern Interconnection Planning Collaborative

Demand Response (DR) Treatment

SSC Meeting
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Omaha, NE

Acknowledgement and Disclaimer

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Acknowledgement:

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Original Description – Future 4

- “Economically achievable efficiency, demand response, distributed generation and smart grid resources used to meet power needs. These are the first resources evaluated and deployed by the model.”
- “Overall energy demand is drastically reduced and new technologies are available for customers and utilities to manage demand to meet power needs in real time.”
- “Demand Resources, including Demand Response and Energy Efficiency, would meet 20% of energy resource needs annually by 2030.”

Final Description – Future 4

- Final futures description separated out the energy efficiency from the demand response.
- “EE would meet 20% of energy resource needs annually by 2030”
- “(Modeling note: DR would reach “full potential” FERC study levels, extended through 2030.)”

Note: Assumptions for Future 4 were adopted into Future 8 – Combined Federal Energy and Climate, which became Scenario 1.

Approach to Modeling in Phase 1

- The peak load forecasts are before DR
- The peak load forecasts are adjusted for Energy Efficiency (1% lower per year for Futures 4 and 8)
- EIPC stakeholders developed an estimate of the demand response (in terms of MW) in each NEEM region for use in this study
- Increased levels of DR directly offset the need for generation resources to meet installed capacity reserve requirements

DR Modeling

- For purposes of the study, the DR pseudo-generators in each NEEM region are increased in size from the specified amount of DR by one-half the applicable target reserve margin percentage in the NEEM region
- Energy provided:
 - The DR in each NEEM region is modeled as a pseudo-generator that has a high variable cost applied (\$750/MWh) and thus will generally not assist in meeting energy demand – it will simply reduce the need for generation expansion
 - Relied on the 2009 FERC National Demand Response report for prices
 - Range in the report was \$500-\$1,000/MWh
 - Prices set at \$750/MWh

DR Capacity and Dispatch

- Capacity
 - Scenario 1 – 152,450 MW
 - Scenario 2 – 70,708 MW
 - Scenario 3 – 70,708 MW
- Dispatch level
 - Scenario 1
 - Block 1 – 2,404 MW in FRCC and 2,812 MW in VACAR
 - Block 13 – 0 MWs
 - Scenario 2
 - Block 1 and Block 13 – 0 MWs
 - Scenario 3
 - Block 1 and Block 13 – 0 MWs

Resulting Load and DR Amounts

Scenario	Load			Demand Response	
	2030 EI Peak (MW)	2011-2030 Growth	Annual Growth Rate	In 2010 (GW)	In 2030 (GW)
1 Nationally Implemented Federal Carbon Constraint with Increased EE/DR (F8S7)	586,397	-5%	-0.25%	33.1	152
2 Regionally-Implemented National Renewable Portfolio Standard (F6S10)	700,487	14%	0.70%	33.1	71
3 Business As Usual (F1S17)	718,433	17%	0.85%	33.1	70.7

DR Treatment in Phase 2

- Objective of Phase 2 is to develop transmission that is consistent with the Phase 1 assumptions.
- Transmission planners are modeling the output from NEEM for the generation placement.
- NEEM included DR in the choices for new installed capacity resources, offsetting the need for generation capacity and resulting in a different resource mix than if DR were not available.
- Demand response energy dispatch will be modeled for those areas where it was dispatched (S1B1). [Note: energy efficiency is already assumed in the load]
- Changing the strike price assumption from Phase 1 or the resource options to choose from would result in a different resource mix and dispatch, resulting in inconsistencies with Phase 1.
- These are well developed Scenarios, with the assumptions fully vetted by the SSC. Selective changes to these assumptions would create inconsistencies with the Phase I results.
- Resulting system generation and load will be supported by the transmission option developed.

Questions and Discussion

