

Demand Resources
And
Economic Transmission Planning
In the Southeast

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Wholesale Benefits for Comparable Service Offerings

- Proposed Methods for Improving Participation of Demand Resources in Transmission Planning
 - Expanding the use of Service Provider Working groups
 - Include Advanced Metering Working Group
 - Include Demand Resource Working Group
 - Providing Markets for Demand Resource Participation
 - Expanding definitions in the OATT to include:
 - Demand Resource Service Provider
 - Stakeholder
 - Demand Resource Obligation
 - Advanced Metering Assessment

Draft Schedule K Comments

- Expand definition of “Stakeholder” to include any bundled customer receiving service from the TP.
 - *Prequalification* based on certain standards may be required for security and planning efficiency measures. Aggregation of smaller (MW) distributed projects
 - Rationale: Distributed Resources such as energy storage “batteries” or demand side generation provide benefits for avoided transmission when planned and included appropriately.
 - These resources may be proposed by one large customer or an aggregation of customers
 - Third parties may present alternatives not considered by Transmission Service Customers representing “Native Load”

Schedule K Cont'd

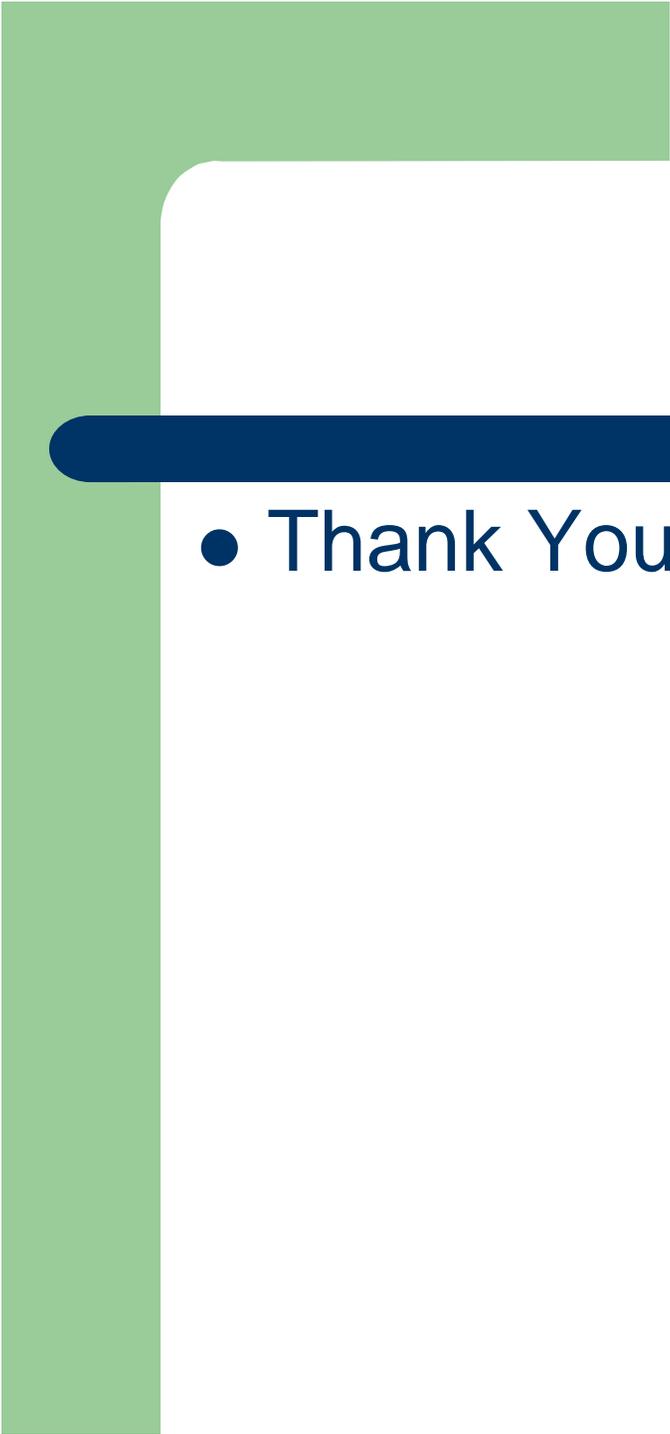
- Section 1.3. 3.5 and 4.3
- Demand Resource Service Providers may not have adequate access
 - Concern that this class of “stakeholder” may be included as a role up under the Transmission Customer in section 4.3 of participation and not have adequate access to the Transmission Planning process.
 - Transparent access to data in Section 3.5 may hinder demand resource service providers from proposing solutions that address specific transmission plans
 - CEII Security Concern: Should access require security clearance, the TP may design a specific solicitation for response from “qualified” Demand Service Providers for ancillary services and/or projects that may be utilized in lieu of transmission.

Schedule K Con't

- Section: 8.2.4
 - Demand Resource Services should be treated in a non-discriminatory and comparable manner with Cost/Benefits provided for in Section 8.2.4.
 - Demand resource (s) that respond to specific plans regardless of economic planning purpose or reliability purpose should receive adequate compensation.
 - Useful for regional planning (Participation in the RSPG)
 - Demand side projects that improve ancillary services in one load zone also may improve TTC across the system for bulk transfer across specific systems.

Changes in Markets with Price signals

- As the data ability to measure and create markets for specific services in specific areas (load zones), the revenue opportunities for Market Based Demand Response Services improves.
- One ISO region has proposed participation for demand resources in the
 - Capacity Market
 - Energy Reserve Market
 - Emergency Payment plans
 - Spinning and Regulation supply
- The process generated improvement in the above market included stakeholder groups, provided issue discovery, standardization of product definition, and a consistent form of information distribution that led to the design of the new initiative.
- This same market has provided a business opportunity for energy efficiency and data aggregation providers to market demand resource services.



Closing

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- Thank You