

vermont electric power company



# Peak Reduction, VWAC & the 2016-17 Demand Resource Plan

Operating Committee

August 2016

# Background

- 2014 VELCO suggested VEIC incorporate a peak reduction performance metric in the Demand Resource Plan (DRP)
  - No metric established concluding more time/study was needed to get it right
  - Current 2014-15 DRP includes peak reduction measures, but they are a by-product of energy reduction strategies
- 2014 VELCO/IBM Research sign Joint Development Agreement to create VT Weather Analytics Center
  - Peak reduction discussed but ultimately not included as a defined objective
  - VEIC directly involved in formative discussions, but ultimately did not participate in project work

# Background

- 2015 VELCO develops “State of the Grid” presentation
  - Snapshot of changing grid shared with OC, VELCO Board, state regulators, VEIC and other stakeholders
- Key points from discussion with VEIC
  - Broad recognition that changing grid, e.g. grid constraints, “duck curve” challenge, etc., would impact VEIC’s future work
  - Agreement on need for greater collaboration at regional level, i.e., “Team VT” strategy
  - General discussion on value of collaborative approach to peak management involving DUs, VEIC and VELCO

# Where are we now?

- June 2016 2nd IBM/VWAC JDA includes explicit peak reduction/demand management objective
  - Working group formed to define how VWAC data can be used to provide utilities with actionable peak management information
  - Work underway to establish peak reduction performance metric
- July 2016 VEIC-VELCO agree to pursue respective approvals for jointly seeking inclusion of a peak reduction performance metric in 2016-2017 DRP
  - Contingent upon DU owner approval – discuss concept with OC to determine interest in pursuing
  - Collaboration with VELCO and DUs essential to feasibility and effectiveness
  - Potential scenario focused on peak reduction and load shape (i.e., lowering peaks/filling valleys)
  - VEIC expected to include some peak reduction strategies, but scope will depend on potential to collaborate

# 2016-2017 DRP proceeding

- Process
  - Opened June 17, 2016
  - Overall budget number not in play
  - Phase 2: determine 5 scenarios for “resource acquisition modeling”
    - What assumptions, targets and metrics will the EEs flesh out fully for the coming DRP
    - Scenario proposals due Sept. 16
  - Phase 3: potential study; modeling based on approved scenarios; approval of resource acquisition budgets, assumptions and performance metrics
  - Phase 4: administrative budgets
- Question to Operating Committee
  - Comfort level with VELCO continuing to explore collaborative peak reduction scenario, understanding processes provides multiple off-ramps if scenario is not feasible and cost-effective