

SESSION 6E

ENERGY EFFICIENCY AND DEMAND RESPONSE – SEPARATE EFFORTS OR TWO ENDS OF A CONTINUUM?

Moderator: Ingrid Rohmund, Energy Insights

PANELISTS:

Bruce Evans, CPS Energy

Steve Braithwait, Christensen Associates Energy Consulting, LLC

Mike Alexander, PG&E

SESSION SUMMARY:

Increasingly, policymakers and utilities are looking to both energy efficiency (EE) and demand response (DR) as ways to balance customers' needs for electricity and the efficient operation of power generation and delivery. Programs related to both efforts are proving effective in the marketplace, but issues can arise when EE and DR interact. Since the value of these programs is driven primarily by the savings, either across all hours for EE or in specific peak hours for DR, conflicts between the two efforts threaten to thwart the success of both types of programs.

In this Panel Discussion, we will present the situation and the issues and problems that can arise. We will then discuss how alternative views of these efforts may help to clarify the benefits of both EE and DR in an environment where both are present. We believe that it does not serve anyone's interest to have programs fight with each other for credit for savings, which has happened in the industry. By understanding the interplay between EE and DR, the industry can more efficiently promote both efforts, and appropriately represent the benefits of each.

Examples of specific questions the panel will address are:

- How do DR and EE “fit” together?
- Is there a hierarchy or protocol that includes EE and DR? What else falls into this hierarchy, and where?
- How can the industry account for the “cross-effects” of EE and DR, where programs provide benefits in both areas?
- How are efforts and rules in various jurisdictions helping or hurting this situation?
- What are the issues around the interaction of EE and DR from the customer perspective? How do customers view offerings in these arenas?
- How can we deal with competition for savings between programs using a broader view of the benefits, and avoid short-sightedness?
- What is the impact of self-generation on EE, DR, and the interplay between the two?
- How can an integrated view of the EE/DR continuum help all programs succeed?

The panel represents a cross-section of the industry perspectives on this issue.

- Moderator **Ingrid Rohmund** is a **Practice Director** for Energy Insights. With a background in both economics and customer research, she leads the Customer and End-Use Research practice area for Energy Insights. With detailed knowledge of Energy Insight's (and organizational predecessors Primen and EPRI Solutions) extensive utility customer research efforts, she brings the customer perspective on EE and DR to the panel.

- **Bruce Evans** is **Director, Strategic Energy Mgmt & Client Solutions** at CPS Energy in San Antonio, Texas. Bruce brings the perspective of a utility with renewed emphasis on Demand Response and a tradition of Energy Efficiency.
- **Steve Braithwait** is a **Vice President** at Christensen Associates Energy Consulting. He specializes in competitive retail pricing with an emphasis on the measurement of customer price response, as well as the evaluation of customer product and provider preferences. Dr. Braithwait brings an economist's perspective to the panel, having studied response to price-based DR at various utilities across the country.
- **Mike Alexander** is **Manager of Demand Response Programs** at PG&E. He brings the perspective of a veteran utility that has had both EE and DR active for years, under an actively involved Commission. Mike also has a lengthy experience across many diverse areas of PG&E.