

SESSION 2A

DEMAND RESPONSE PROGRAMS: BETTER RESULTS THROUGH BETTER EVALUATION

Moderator: William P. Saxonis, New York State Department of Public Service

PAPERS:

A Methodology for Estimating Large Customer Demand Response Market Potential

Charles Goldman, Nicole Hopper, Ranjit Bharvirkar, Lawrence Berkeley National Laboratory; Bernie Neenan and Peter Cappers, Utilipoint International

Desperately Seeking Savings from Small Scale Demand Response: The California Experience

Robert M Wirtshafter, Wirtshafter Associates, Inc.; Kathryn Parlin, West Hill Energy and Computing; David Hungerford, California Energy Commission; Kevin McKinley, San Diego Gas & Electric; and Rob Bordner, Energy Market Innovations, Inc.

Participation of Demand Response Resources in ISO New England's Ancillary Service Markets

Ken Agnew, Paula Ham-Su, KEMA Inc.; Robert Burke, ISO-New England

SESSION SUMMARY:

Demand response programs are playing an increasingly important role in electricity markets, especially as demand for electricity continues to rise. This session presents three papers that offer important insights for evaluators, program managers and policy makers.

Goldman et.al. recommend a methodology for estimating demand response potential for large, non-residential utility customers and demonstrate the methodology under various scenarios. The authors also provide insightful observations about the factors that influence demand response impacts.

Wirtshafter et. al. analyze California's "20/20 Program." In 2005, this program awarded \$67 million in rebates to residential and small commercial/industrial customers for reducing their 2005 summer electricity consumption by 20 percent as compared to their summer 2004 consumption. From an evaluation standpoint, the program presented many challenges including the fact that customers were not required to enroll in the program. One of the many fascinating results of the evaluation is that about 75 percent of the rebate dollars were awarded to consumers not actively seeking to save energy in response to the program.

Agnew et.al. examine both the potential and challenges of incorporating demand response resources into the ancillary service markets. Ancillary service provides the on-call, short term relief that maintains system supply in the event of a loss of generation or transmission resources. While the evaluation data is preliminary, results from the Demand Response Reserve Pilot Program at ISO-New England suggest that demand response can be a viable component in the ancillary services market.