

Working Group VIII – Demand Response and Peak Load Reduction - Scoping Memo

1) Preface and Intro

- a) List Demand Response (DR) Programs and Measure candidates
 - i) Identify what programs and measures to evaluate using criteria in EPS Order and Rulings
 - ii) See if they are presently covered by the ISO, Utility, EPS and SBC Programs
 - iii) Describe extent to which funding avenues exist
 - iv) Advanced Metering and its correlation to advancing Demand Response
 - v) Importance of MV&E

2) Provide Definition and identify Concerns

- a. Demand Response
- b. Environmental Justice

3) Demand Response Topics

- a) Integrate and identify synergies between DR and Energy Efficiency (EE)
 - i) Challenges
 - (1) Lost opportunities
 - ii) Recommendations
 - (1) Promote and Implement both DR and EE
 - iii) Benefits and Costs
- b) Commercial and Industrial DR and Distributed Generation(DG)/Combined Heat and Power (CHP)
 - i) DR
 - (1) Challenges/Barriers to increased penetration
 - (a) *Revenue certainty*
 - (b) *Adequacy of market revenues*
 - (c) *Access to customers/customer education*
 - (2) Actionable Recommendations
 - (a) *Long-term contracts to mitigate revenue uncertainty*
 - (b) *Incentives*
 - (c) *Improved outreach and education*
 - (i) *Co-Branding, Marketing Agreements, etc.*
 - (3) Benefits and Costs
 - ii) DG/CHP
 - (1) Challenges/Barriers to increased penetration
 - (2) Actionable Recommendations
 - (3) Benefits and Costs

- c) Residential DR/DG/CHP
 - i) DR
 - (1) Challenges/Barriers to increased penetration
 - (2) Actionable Recommendations
 - (3) Benefits and Costs
 - ii) DG/CHP
 - (1) Challenges/Barriers to increased penetration
 - (2) Actionable Recommendations
 - (3) Benefits and Costs
- d) Economic rate proposals
 - i) Challenges
 - ii) Recommendations
 - iii) Benefits and Costs
- e) AMI relating to DR
 - i) Challenges/Barriers to increased penetration
 - ii) Recommendations
 - iii) Benefits and Costs

4) Communities that Host Peak Generation Facilities

- a) Consideration of Impact of Peaking Units – possible study of health impacts
 - i) Identify Communities of Concern – complete by August 31, 2008
 - ii) Inventory Sources of Existing Health Information and Studies – complete by September 15, 2008
 - (1) Straw Proposal Environmental Impacts
 - (2) Regional Greenhouse Gas Initiative
 - (3) NYSERDA data from EMEP
 - (4) DEC’s EJ Office
 - (5) Health Outcome data (NYSDOH)
 - (6) Reports currently being developed
 - iii) Determine whether a study is necessary – completed by October 1, 2008
 - (1) Why is a study needed?
 - i. What data are needed?
 - ii. What analyses need to be conducted (e.g. risk assessment)?
 - iii. Scope
 - Identify sectors to be considered (e.g., emissions from mobile sources, industries, contribution from upwind states, etc.)
 - Health impacts of concern
 - (2) Level of Effort
 - i. Risk Assessment
 - ii. Health Outcome Analyses
 - iii. Medical Studies
 - iv. Schedule
- b) Coordinate with the Evaluation Advisory Group and DPS regarding an assessment of environmental attributes associated with an increased penetration of DR. In this context, an assessment of the extent to which increased DR and peak load benefits result from the

EPS will be initiated. Depending on the findings, the work group may consider how efficiency, DR and peak load reduction relate to:

- i) Reducing impacts to Communities of Concern
- ii) Possible dispatch of DR to reduce Environmental Impacts - such as reducing NOx emissions on High Electric Demand Days (DEC's HEDD Initiative))