



CPUC IDSM Proceeding

Barriers Limiting the Success of IDSM

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Agenda

- Grounding Principles
- IDSM Vision
- Barriers to Success

Proposed Grounding Principles

Cost Savings

Demand Side Management (DSM) should be integrated into California's grid in a manner which provides savings to all ratepayers

Paradigm Shift in Utility Planning

Leveraging DSM resources will require a fundamental shift in the way California's IOUs think about DSM and Distributed Energy Resources (DERs)

Integration

Provide a comprehensive vision for integrating DSM resources into the existing California electricity system and a roadmap to achieving that vision.

A Vision for IDSM

IDSM is an opportunity for the CPUC to adapt a clear vision of the role of DERs in the California electricity system, and should provide a venue **to develop and create incentives for effective DER deployment and utilization.**

1. Promote performance standards, not programs, for demand side management portfolios
2. Plan for integrated DER portfolios, not individual DER technologies
3. Require an open architecture across DER technologies
4. Enable access for behind-the-meter DSM assets to provide distribution services
5. IOUs should focus on integration investments, not investments specific to an individual DER technology

Barriers to IDSM Success

- Integrating DSM assets will require a fundamental shift in how the IOUs – and the CPUC – view and use DERs
- Barriers exist to fulfilling this vision, including the following:
 1. Compensate the IOUs for using third party- and customer-owned IDSM assets in lieu of utility-owned assets
 2. Allow distributed storage to export as part of demand response programs
 3. Prioritize DER aggregation in the IOUs' capacity and distribution services Request for Offers
 4. Allow and encourage multi-use IDSM portfolios, not DERs limited to use cases specified by IOUs