

DATE: June 17, 2016
TO: NW Power and Conservation Council
SUBJECT: Comments on the Issue Paper on Development of Demand Response Advisory Committee and System Integration Forum

I appreciate the opportunity to comment on this issue. It's exciting to find the region, more than 10 years after beginning consideration of demand response in the preparation of the Council's 5th Power Plan, at the point where significant development of demand response is needed from the perspective of the regional power system.

Up until now some individual utilities have found DR to be in their interests based on their unique circumstances, but the region as a whole was able to cover peaking and ancillary service needs with other resources. The 5th and 6th Power Plans emphasized gaining understanding and experience with DR, so that when DR was needed from the regional perspective, we would be ready to move ahead with acquisition. The 7th Power Plan has determined that the region is now at that point—we need to move ahead with plans to acquire at least 600 MW of DR.

The establishment of a Demand Response Advisory Committee is a natural step in moving ahead. The issue paper proposes to take up issues in 2 stages:

1. the first stage identifies existing barriers to the development of DR, actions to resolve these barriers, potential improvements in existing DR programs in the region, and works on the implementation of the 7th Power Plan's action plan
2. the second stage focuses on current cost, performance, and availability of DR and the prospects for improvements in these metrics as technology improves, and looks forward to the assessment of the resource for the 8th Power Plan.

These stages seem quite reasonable to me in their content. In my experience the anticipated movement to the second stage of work in summer 2018 may be optimistic, not because it is unreasonable but because these processes almost always take more time than seems reasonable.

The second topic, the System Integration Forum, will take up topics that include DR issues, but also involve issues that other Council advisory committees will be working on. I can't claim to foresee all the interactions among advisory committees that could be involved, but I would expect early meetings of the forum to help scope those interactions and to allocate topics that will need cooperative effort by more than one advisory committee.

It could be that as the discussions in the Forum proceed, it becomes clear that the Council should establish another advisory committee (or even more than one) to take up work that isn't covered by already-existing advisory committees. But

initially it seems sensible to think about the Forum as a place for discussing issues of interest to several committees, and a place for coordinating cooperative work on such issues.

For Council and Council staff, I would expect the next few years to be a very challenging and satisfying work experience. In many respects the situation is similar to the one confronted by the first Council in the First Power Plan, which required the development of brand new tools and planning approaches, in an environment that included lots of actors that were either not convinced of the necessity of significant change, or had conflicting prescriptions for solutions. You will be challenged, and you will have a lot of fun.

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