

ComEd Response to IPA's request for comments on
Energy Efficiency/DR Procurement

All questions related to DR capacity procurement.

Response:

The reason the Commission has rejected IPA purchases of DR for ComEd in the past is that it would raise, not lower, costs to customers because ComEd is obligated to buy all of its capacity needs through the PJM capacity auction. Any non-PJM capacity purchases would just result in additional capacity costs.

Question 1.

The IPA has traditionally looked at procurement blocks using regular definitions of those products as on-peak (16 hours on the 5 weekdays) or off-peak (8 hours on 5 weekdays, weekends and holidays). Should the IPA consider procurement of a new resource of demand reducing resources during the summer months for a narrower peak period? If so, how should that "super-peak" period be defined?

Question 2.

What types of products should qualify for delivery as a super-peak product? What measures can the IPA take to ensure that super-peak demand-side resources feature an actual lower delivered cost than supply side alternatives? Please provide evidence (either empirical, or modeled) for demand-side resources with delivered costs that could be lower cost than supply side resources.

Response for (1&2):

The requirements for the procurement of any energy, energy efficiency or DR are prescribed within the Illinois Public Utilities Act ("PUA"). The PUA limits the procurement of DR to alternative capacity products, and the procurement of energy efficiency to those products which meet the requirements set out in 16-111.5B. Otherwise, the IPA is only authorized to procure Standard Wholesale Products through the use of standardized contract forms so that winning bids may be selected solely on the basis of price, which is to be evaluated on the basis of benchmarks developed to ensure that the IPA and Commission have clear evidence that the prices submitted to the IPA are fair and consistent with visible, publicly available pricing information at the time the contracts are entered into. In the absence of such visible "super peak" pricing information, it is unclear how the Commission would be able to meet the requirements of the IPA Act for these products.

Question 3.

Should a resource for this procurement also be eligible to participate in other energy efficiency (and/or demand response) programs? If so, how should the value of each be accounted for? For example, could a product have its kWh reductions separated between multiple programs? What timing challenges may result from including resources in both the supply resource procurement and existing energy efficiency (and/or demand response) programs, and how can those be resolved?

Response:

As described in the previous response, the procurement of energy efficiency and DR measures is limited to those situations specified in the PUA. Further, ComEd would be concerned with potential double counting of programs between the various procurement avenues mentioned by the IPA.

Question 4:

How could delivery of demand-side resources be metered and/or verified? What provisions should apply for non-delivery?

Response:

For consistency with current IPA energy efficiency programs, any demand-side resource should be evaluated through an independent evaluator who determines actual kWh and kW savings associated with any initiative.

Question 5:

What limitations, if any, should be placed on customer classes that could provide these resources? Specifically, should it only be potentially eligible retail customers, or all customer classes? Should the resources have to be located within the service territory of the utility to which they are delivered?

Response:

The IPA Act and the PUA limit the procurement of supply resources by the IPA to Eligible Retail Customers. The one exception to this limitation is Section 16-111.5B, which allows the IPA to procure energy efficiency measures for the classes of customers that comprise the Eligible Retail Customer groupings regardless of whether such customers actually take energy supply from the utility.