



April 25, 2016

EQL Memorandum

To: Distributed Energy Resources Alliance (DERA)
From: Ken Nichols, EQL Energy, 503 438 8223, ken@eqlenergy.com
Re: **May 5, 2pm (Pacific) Webinar: DER Business Opportunity in the Northwest**

EQL Energy is organizing a group of DER vendors and service providers to pool resources, people, and ideas to participate in relevant regulatory activities in the Pacific Northwest and Western Canada.

We expect the Pacific Northwest will spend over \$500MM in the next 5 years developing distributed energy resources (“DER”) excluding energy efficiency. This spend includes demand response, IDSM, solar, storage, CHP, EV Charging, distributed generation, dispatchable standby generation, BMS, etc. The legislation and Commission proceedings that shape how these funds are spent are in progress. In many cases, vendors and service providers are not present which leads to utility centric analysis and proposals. Utility regulators and customers are pleading for DER vendor participation.

Why Regulatory Effort is Necessary and Why Now

1. Northwest Power and Conservation Council 7th Plan identified Demand Response target of 600-1,000MW by 2021.
2. Storage has been funded in Washington and Oregon, and mandated by law into utility resource plans in Oregon. Oregon IOUs will procure 1% of peak in storage through 2021. Washington state funding \$55MM storage and grid modernization.
3. DER very active in State laws, Utility Commission dockets, and government funding.
 - a. OR - SB1547, SB1574, SB2193. State incentives for solar, storage, CHP
 - b. OPUC – UM1708, UM1716, UM1719, UM1781, UM1657, UM1751, DR cost effectiveness
 - c. WA – SB2346, SB6166. State incentives for solar, storage, CHP. Distribution System Collaborative
 - d. WUTC – IRP rulemaking, net metering, IOU IRPs, etc.
 - e. Montana/Idaho – Utility IRPs avoid DERs and target NEM repeal
4. Coal and Nuclear removal from PNW starting in 2020 with 550MW Boardman coal plant in Oregon, and continued pressure on Columbia Generating Station.
5. Transmission constrained regions procuring DER solutions, BPA and PSE.
6. Resource Adequacy and Reliability are hot topics in all planning processes.

May 5 Webinar Agenda

DER deployment funding/methods is up to interpretation, and is being evaluated differently in every state. In the PNW there is not a clear voice for DER Vendors. Therefore, utilities are promoting programs they can control, budget, and fit within their business models, which may not benefit customers or ratepayers.

2-2:10 Introductions

2:10-2:20 Meeting Objectives and Relevant History

- Role of NPCC 7th Plan, legislation, PUCs, stakeholders.
- Energy Efficiency >>>> DER
- PNW DERA work in 2016

2:20-2:30 Business Opportunities

- 5 year business opportunities in demand response, storage, IDSM, DG.
- Where are the DER budgets?

2:20-2:30 Types of DER

- What Demand response types are being proposed (pricing, incentives, aggregator, non-aggregator)?
- Storage focus on utility scale or behind the meter storage?
- Community solar versus customer solar? Net metering and rate policies
- Cost effectiveness for DR and other DER is being discussed at all PNW commissions.
- Integrated DSM. Some budgets are heading towards research and programs to combines energy efficiency and demand response.
- Utilities joining CA ISO EIM might consider ISO methods of integrating DERs.

2:30-2:40 Policy and Regulatory Activities affecting DER

- Oregon
- Washington
- Idaho
- Montana

2:40-2:50 PNW DERA organization and objectives

- PNW DERA objectives
- PNW DERA organization and cost

2:50-3 pm Discussion

Suggested Actions

1. Attend EQL Webinar and Group discussion.
2. Join PNW Distributed Energy Resource Alliance (DERA).
3. Participate in DERA working group meetings and regulatory activities.