

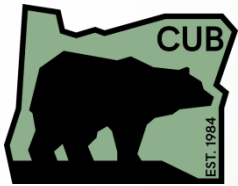
# Oregon CUB

## CUB's DSP Comments Highlights

UM 2005 Workshop #3

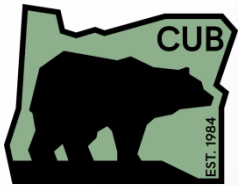
February 26, 2020

Presenter: Sudeshna Pal



# Future and Ongoing Changes in the Electric Utilities' System

- Grid modernization to accommodate two way flows of energy and energy services throughout the IOU-s network
  - DER deployment
  - Technology to monitor and control DERs, e.g. AMI
- Increasingly intermittent resource mix
- Changing load that uses electricity to fuel transportation and buildings
- Changing customer roles in and expectations from the electric grid

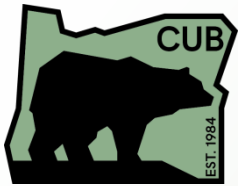


# Goal of DSP: Maximize Customer Value as the Grid Evolves

What is Customer Value (CUB's perspective)?

Value = Net Benefit Over Time

Net Benefit = Benefit to Customers – Cost to Customers



## Customer Value (contd.)

### Customer Benefits

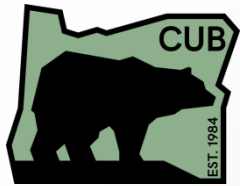
Reliable, resilient grid;  
Better technology;  
Cleaner power;  
Ability to sell energy services to utilities through rooftop solar, and, demand response, including locational value.

Future reach benefit: Lower need for additional T&G investment, hence less capital for customers to fund.

### Customer Costs

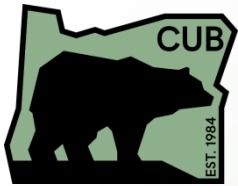
Absence of benefits;  
Paying to participate and support these necessary elements of a modernized grid.

Note: Some of the capital that customers will spend on utilities' grid modernization will be offset through transactive energy services.



# Principles Guiding DSP– What is important to CUB?

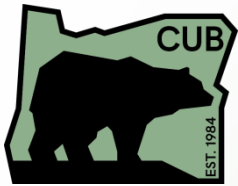
- Least-cost least-risk planning
- Affordability and Customer engagement :
  - Both purchase and provide energy services.
  - At reasonable prices.
- Transparency
- Customer data protection



# How to Evaluate the DSPs?

CUB considers the following to be some important metrics:

- Locational costs and benefits of DERs on the distribution system
- More granular projections of DER potential and likely customer adoption
- Load growth and DER forecasts and scenario analyses
- Energy and capacity savings from DER avoided costs
- Integration of DERs
- The ability to avoid larger T&G investments and the ability to pull firm capacity out of the distribution system. The key is to use the distribution system to help alleviate some of the issues the grid is facing. Capacity is a big issue right now.



# Also Important!

## Cost Allocation

- Efficient allocation of costs is necessary
- Costs should be borne by All who receive benefits
- Correctly identifying energy and capacity services is important, e.g. Batteries can both avoid distribution system upgrades and create capacity – guides cost allocation mechanism