

THE BUSINESS OF LOCAL ENERGY

MAY 5, 2017

UNLOCKING THE POTENTIAL OF DISTRIBUTED ENERGY
RESOURCES

NAVIGANT



For Utilities



- Traditional obligations in a new paradigm
- Lack of policy clarity as a collaborator or competitor



For ISOs

- Disruptive changes
- Limited visibility, awareness and direct influence
- Managing to a new level of details



For CCAs

- New business model with different approaches and aspirations
- Portfolio of untested resources – both buy and sell

A PORTFOLIO OF RESOURCES EFFECTIVELY DEPLOYED

- How might CCAs and other aggregators orchestrate their DERs?
 - Shape – orchestrate resources within the portfolio to raise the value of the entire portfolio
 - Shed – clip peaks or reduce demand during times of grid stress
 - Shift – move to lower cost time periods
 - Shimmy – fast and flexible short duration
- Decide if/whether to sponsor or administrator for DER programs within a defined benefit
- Non-wires alternatives are being explored; requires utility collaboration
 - Cost management – avoid high cost periods, leverage low cost periods; further refinement is necessary
 - Reliability – use DERs as alternative to traditional solutions
 - Resiliency– use DERs to quickly reassemble the system, such as microgrids
 - Demand management to avoid high prices or take advantage of low prices

BENEFITS, CHALLENGES, AND OPPORTUNITIES

Challenges:

- CCA don't always have complete data, history and projections of their local system.
- Lack of experience, especially with DERs, as an effective alternative to generation.
- Limited case studies and differing business models.
- Policies to incentivize some customers to benefit all customers?
- Transition periods bring uncertainty.

Opportunities:

- Great community engagement that can be thoughtfully tailored.
- Portfolio and platform management tools emerging.
- Decisions are more related to policy than operations.
- Tailored to local demographics, economics and preferences.

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