PublicService Commission <psc@utah.gov>

Fwd: Solve Your Net Metering Challenges
1 message

Thad Levar <tlevar@utah.gov>   Tue, Feb 3, 2015 at 1:25 PM
To: PublicService Commission <psc@utah.gov>

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From: **Integral Analytics** <sugarcrm@integralanalytics.com>
Date: Tue, Feb 3, 2015 at 12:00 PM
Subject: Solve Your Net Metering Challenges
To: Thad LeVar <tlevar@utah.gov>

IA logo

Thad

As you may know, the policy of net metering distributed renewable generation sources, such as residential PV arrays, has become very contentious. Some utilities are claiming that net-metered customers are not paying their full share of the cost of service, and the utilities are therefore requesting increases to the monthly connection fee. Environmental groups on the other hand are claiming that the value of distributed generation goes well beyond the retail rates. The key to deciding this debate is to fully understand the benefits and costs of distributed renewable generation sources.

A recent report by the Rocky Mountain Institute reviewed 16 distributed generation valuations and determined that as an industry we need to more accurately value the following benefits of distributed renewable generation:

- Energy & Capacity
- Grid Support Services
- Financial Risk Mitigation
- Security Risk Mitigation
- Environmental
- Social

Our benefit-cost analysis tool, DSMore, can capture all of these benefits and accurately determine the value of the distributed generation resources. DSMore is the leading cost effectiveness tool in the country, with utilities using it in over 30 states including some of the largest in the country such as Duke Energy, AEP, Xcel, and ComED. This award-winning model is the most accurate and easiest to use cost effectiveness model available. The power of DSMore lies in its ability to process millions of calculations within seconds, resulting in thousands of cost effectiveness results that vary with weather and/or market prices. By viewing DSM performance and cost effectiveness over a wide variety of conditions, managers and regulators are in a better position to measure the risks and benefits of employing DSM measures versus traditional generation-capacity additions.

Here are some of the key differentiators of DSMore:

- DSMore is a powerful financial analysis tool designed to evaluate, at the hourly level, the costs, benefits, and risks of Demand Side Management (Energy Efficiency and Load Control).
- DSMore is the <u>only</u> tool in the country that captures hourly price and load volatility so that you can

assess the effectiveness of the programs even in extreme weather situations. Thus you get the full valuation of DSM in a way comparable to other supply side options. All other programs just use hourly averages that miss those rare but significant extreme events.

- DSMore is not only the most accurate, it is also the easiest to use. Utilizing the Batch Tool capabilities within DSMore, a user can analyze multiple measures quickly. Assumptions can be validated or changed on the fly and sensitivity analysis completed. DSMore also integrates with off the shelf Monte Carlo tools such as @Risk and Crystal Ball so that further sensitivity analysis can be completed.
- Another tool included with DSMore is the Aggregation Tool. This tool permits the user to roll up the measure-level cost effectiveness results into Programs, Sectors, or Portfolios within minutes.
- To assess program or portfolio risk, DSMore provides multiple test results ranging from low price and mild weather conditions to high price and extreme weather conditions, and the probable conditions based on 30 years of weather history and historic prices.
- DSMore user inputs can adjust the following items: incentive levels, participant levels, measure savings, measure costs, avoided costs, end-use load shapes, coincident peak factors, net-to-gross factors, administrative costs, adding/deleting measures or programs, and other factors impacting the projected savings.
- DSMore resides on your system so data security and access are not an issue.
- DSMore is becoming the industry standard and has been accepted by regulatory agencies in several states.
- DSMore can be used to evaluate solar, wind, PV, and electric vehicles.
- DSMore can get down to the circuit or even individual customer level so analysis can be varied across the entire territory if needed.

I have attached a DSMore brochure for your reference.

To show you the strengths of DSMore directly I would like to offer a web demonstration of the model and show you how it works in real time. Please let me know what questions you have and if you are interested in a demonstration of the model.

Best regards,

Bill Kallock
VP Business Development
bill.kallock@integralanalytics.com
www.integralanalytics.com

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