

## CONSULTATION RESPONSE TEMPLATE

<i>NAME OF RESPONDENT</i>	David Dunne
<i>CONTACT DETAILS</i>	Address:  11 Willow Park Grove,  Dublin 11  Tel No: 0876438991
<i>TYPE OF COMPANY</i>	MSc in Energy Management graduate 2010 from Dublin Institute of Technology
<i>INTEREST IN DSM</i>	Recently completed my thesis on “Demand-Side Participation in the SEM” in which I examined the barriers to participation in Demand-Side Bidding in the SEM, for Large Energy Consumers. The barriers were examined through a survey of 26 Large Energy Users (LEU’s).

## SECTION 2

QUESTION 1: Do you agree with our characterisation of the four types of benefits that demand side management can provide?

ANSWER:

Yes

QUESTION 2: Are there other cost savings which you believe demand side management can deliver?

ANSWER:

N/A

QUESTION 3: Are there additional studies and reports (to those listed in **Error! Reference source not found.**) which you are aware of and believe we should review?

ANSWER:

Singh & Ostergaard – use of demand response in electricity markets: an overview and key issues. A conference paper from the 7<sup>th</sup> international conference on the European energy market (2010).

Reid, Gerber & Adib – Integration of demand response into wholesale electricity markets. A conference paper from the Power Systems Conference and Exposition (2009)

QUESTION 4: What other insights do you have from your experience of demand side management adopted internationally?

ANSWER:

None

QUESTION 5: Are you aware of other quantitative findings from international experience which you believe are important for us to capture and consider?

ANSWER:

No

QUESTION 6: Do you agree with our identified drivers of future value for demand side response/management? Are there any additional drivers we should consider?

ANSWER:

Yes

### SECTION 3

QUESTION 7: Are there any other aspects of current demand side activity in Ireland which should be captured?

ANSWER:

No, however, Powersave is not listed under the SO schemes available to the demand-side

QUESTION 8: Do you agree with our high level assessment of the potential for demand side management in

Ireland by 2020?

ANSWER:

Yes.

## SECTION 4

QUESTION 9: Do you agree with our definition of each individual demand side measure?

ANSWER:

Yes

QUESTION 10: Is our description of the current policy baseline for each demand side measure accurate and complete. If there are omissions please point them out.

ANSWER:

To the best of my knowledge, the policy baselines are accurate.

QUESTION 11: Do you agree with our categorisation of different types of “market issue” and typical remedies for each?

ANSWER:

Yes.

QUESTION 12: Do you agree with our identified barriers and enablers for each of the specific demand side measures we have identified?

ANSWER:

Yes. Having recently completed my thesis based on industrial/commercial demand response barriers (and particularly barriers to participating as a DSU in the market), I believe all the barriers listed in section 4.2.6.1 are correct. However, there is one more enabler that I would suggest to encourage DSU participation that is not listed in the consultation paper.

The findings of my study pointed directly to a need to reduce the de minimis threshold for DSU participation from 4MW as a remedy to over-restrictive rules. This high threshold is put in context by the 100kW threshold in markets such as PJM and New York. However, I also suggest that a greater provision of load aggregation services for DSU participants is needed to complement the threshold reduction. I believe this would expedite an increase in DSU participation.

The information deficit barriers are very pertinent as most of the organisations I made contact with had little or no knowledge of the additional-revenue-creating mechanisms available to them in the market.

QUESTION 13: Do you agree with our identified market issues for each specific demand side measure and our proposed remedies to address these?

ANSWER:

Yes. As in question 12 above, I recommend the provision of load aggregation services as a remedy to over-restrictive rules regarding the de minimis threshold.

QUESTION 14: What are your views on the likelihood and effectiveness of the identified policy options addressing the specified market issue and delivering the desired change?

ANSWER:

I believe that the identified policy options will deliver the desired changes in the majority of cases. The policy options I can speak most confidently about are, again, that of the industrial/commercial scale demand response where the remedies for over-restrictive regulations are certain to have a positive effect for demand response. Again, the presence of load aggregation services would be sure to enhance DSU participation also.

With regard to the education of consumers, I believe this is a pre-requisite for the implementation of most of the other remedies and the amount of work to be carried out to remedy these imperfect information market issues should not be underestimated. Also, I believe the value that has been attributed to most of the remedies in the consultation paper is invariably accurate.

QUESTION 15: Are there any unintended undesirable consequences that any of the options might create elsewhere?

ANSWER:

Not as far as I can see.

QUESTION 16: Do you agree with our identified specific demand side measures and our assessment of the different types of benefits each demand side measure provides?

ANSWER:

There appears to be a contradiction in the 'industrial/commercial DSR – interruption contracts' measures and the 'industrial/commercial DSR – including Direct Control and Autonomous'. Surely we should be attempting to move customers from WPDRS and WDRI towards participating in the market as DSU's responding to pricing rather than increasing the number of interruption contracts.

QUESTION 17: Are there any additional demand side measures that we should individually identify and assess? If so, what type of benefit(s) is it felt they provide?

ANSWER:

The provision of load aggregation services by utilities or independent organisations would enhance the uptake of DSU mechanism in the SEM resulting in greater load reductions from consumers overall. In 2008 in New York, 53% of all load reductions from Demand Side Units came through independent aggregators.

QUESTION 18: Have we identified all of the relevant criteria for assessing the individual and comparative merits of the demand side measures?

ANSWER:

I think so.

QUESTION 19: What are your views about our approach to high level assessment of different demand side options?

ANSWER:

I believe the values given to each measure are accurate although I wonder how much consideration is given to the knock-on effect some measures will have on others. For example, the improvement of smart meter technology and its use would have a reductive effect on the cost of delivering demand-side bidding amongst other measures. Having said this, I understand it would be difficult to predict.

QUESTION 20: Do you agree with our assessment of each demand side measure against each of the identified factors?

ANSWER:

Yes

QUESTION 21: Do you agree with our overall assessment of the relative merits of the different demand side options?

ANSWER:

Yes

QUESTION 22: Do you have any comments on our high level assessment of the benefits of different demand side measures?

ANSWER:

No

## SECTION 6

QUESTION 23: Do you agree with our assessment of the relative priorities of different demand side options in developing a 2020 Demand Side Vision?

ANSWER:

Yes

QUESTION 24: What alternative views do you have on relative (merits and) priorities?

ANSWER:

On the back of my research into demand-side bidding barriers in the SEM, I believe that aggregation of load could be of considerable value to industrial/commercial DSR

QUESTION 25: Do you agree with our proposed high level 2020 Demand Side Vision as described above?

ANSWER:

Yes

QUESTION 26: What alternative vision would you put forward?

ANSWER:

N/A

QUESTION 27: Do you agree with our proposed policy pathways for implementation of the identified different policy options for realising our proposed 2020 Demand Side Vision?

ANSWER:

Yes.

QUESTION 28: What alternative policy pathways would you propose based on your previous comments and responses?

ANSWER:

I would link the development of standard contract structures to facilitate aggregation of distributed generation to contract structures for aggregation of load on the demand-side and develop them in the same time-scale. This would help facilitate greater participation in the DSU scheme in the SEM from industrial/commercial sector.

## SECTION 7

QUESTION 29: Do you have any additional view or comments you feel are important/useful for us in (a) establishing a Demand Side Vision for 2020; (b) identifying associated policy development and (c) determining policy pathways?

ANSWER:

Following a reduction in the de minimis threshold for participation in the market as a DSU, I believe more should be done to encourage load aggregation services in the market.

QUESTION 30: Are there any final comments industry stakeholders wish to make about this consultation and the proposed next steps in the consultation process?

ANSWER:

No