

# MIDATLANTIC DISTRIBUTED RESOURCES INITIATIVE (MADRI) WORKING GROUP MEETING

February 2, 2012: 10 am-3:15 pm

Teleconference Dial-in: 866-398-2885

Teleconference Passcode: 976 729

**Location: Constellation Energy**  
**750 E. Pratt Street**  
**Baltimore, Md. 21202**

**Please Note: Prior to the commencement of the meeting, coffee will be available at 9:30 to give attendees to the opportunity to settle in and also network so that the meeting may begin promptly.**

**Topic 1 – Dynamic Pricing** – The subject of dynamic pricing for residential customers may be more controversial than it needs to be. Advocates point to the opportunities for participants to save money and the concomitant system-wide benefits which redound to consumers. Opponents speak to the inelasticity of demand for energy, the need for any departure from flat rate pricing to be on an opt-in basis and the fear that moving in this direction will mean an increase in rates and bills for low-income and seniors who may pay a premium for flat rate service. This session will focus on a review of price responsive demand rate designs and would include such topics as how peak time rebates (PTR) fit into demand response, how rebates are funded and how does it intersect with competitive services; state commission oversight on the bidding process for demand response and shared savings.

## AGENDA

**1. Introduction:** The Honorable Lawrence Brenner, Maryland Commission; Mark D. Case, Sr. VP, Strategy and Regulatory Affairs, Constellation, Janine Migden-Ostrander, Principal, Regulatory Assistance Project - **10:00 – 10:15 a.m**

**2. State Round-up: What's Happening Where in the Region with Respect to Dynamic Price Offerings:**

- DC- Daniel Cleverdon, D.C. Commission Staff
- Pennsylvania – Eric Matheson , Pennsylvania Commission Staff
- Delaware – Trisha Gannon, Delaware Commission Staff

Each participant will give a short description of what is working well and/or what is not working well in their state with regard to dynamic pricing offerings by utilities. This will encompass a range of rate designs and is intended to give Commissions and others information of interest that they can follow up on to develop policies and programs in their states. The focus is **not** just general descriptions of programs, but more towards the results of what is in place to date.

**10:15 – 11:15 a.m.**

### **3. All About Peak-Time Rebates (PTR):**

- Richard Hornby – Synapse-Energy Economics
- Cheryl Hindes – Director, Customer Load and Settlements, Baltimore Gas and Electric
- Susan Covino –PJM

- How does PTR fit into Demand Response and can it be bid into PJM?
- PTR v. CPP – What is the role of each? How should these programs be designed to maximize potential demand response while providing more cautious customers with some optionality?
- Can PTR be incorporated into Price Responsive Demand (PRD) and can the supervisory control requirement be met in a strictly voluntary PTR regime?
- How are rebates financed? Is there a subsidy issue?

Each presenter will address these questions briefly, followed by Q&A and audience participation reflecting views and experiences regarding PTR. **11:15 a.m. – 12:15 p.m.**

### **4. Lunch Break and Networking: 12:15 p.m. – 1:15 p.m.**

### **5. How Do Utility –Offered Rate Designs Intersect with Competitive Services?**

- Kenneth Schisler, Enernoc
- Douglas Stinner, PP&L
- Steven Sunderhauf, PEPCO

To move the envelope forward on maximizing the potential for demand response in both the residential and small commercial sectors, incompatibility in terms of metering capabilities and rate designs between competitive service providers and utilities needs to be addressed. What happens when an Aggregation Retail Competitor (ARC) wants to offer demand response services but the customer does not have the appropriate meters? Or similarly, if a competitive retail supplier wants to upsell demand response services? Conversely, what if the distribution company has smart meters or other metering in place and then conducts an auction for the supply of electricity? The panelists will discuss ways to address these issues. **1:15 p.m. – 2:10 p.m.**

### **6. The Role of State Commissions in Demand Response and Shared Savings – 2:10 p.m. – 3:05 p.m.**

- The Honorable Jeanne Fox, New Jersey Commission
- The Honorable Douglas Nazarian, Chairman, Maryland Commission Public Service Commission
- Robert Borlick, Managing Director, Borlick and Associates
- What oversight should State Commissions have with respect to competitive bidding of demand response?
  - Rules on Aggregation of Load
  - Attribution of DR towards state requirements
  - Should State Commissions be involved in determining the reliability of DR
  - Commission – approval of DR programs, cost recovery and smart grid

### **7. Wrap-Up and Conclusion: The Honorable Lawrence Brenner and Janine Migden-Ostrander -3:05 p.m. – 3:15 p.m.**