Demand Management Workshop
(EDPR 2016-20)

30 Jul 15

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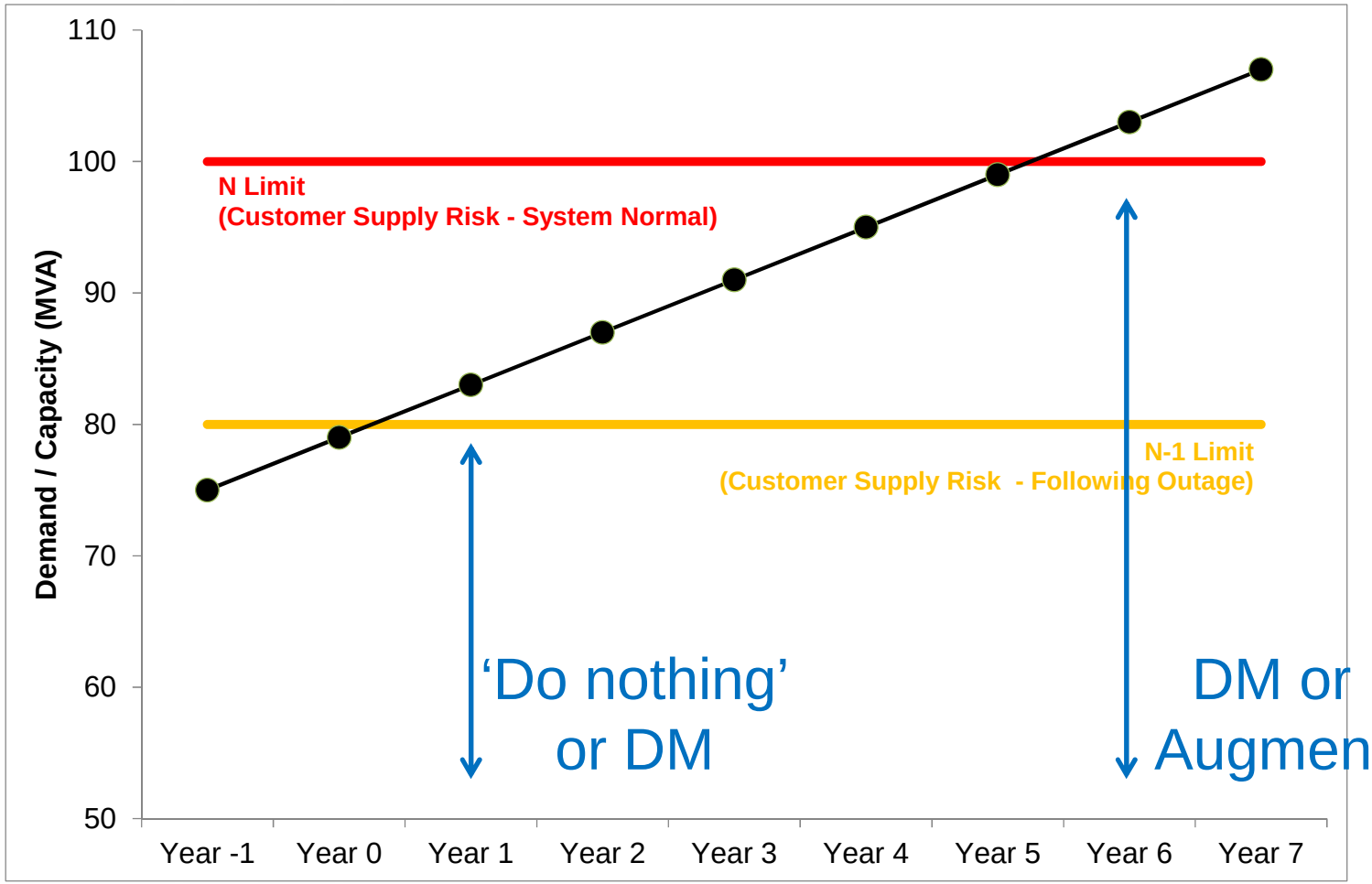
v1.1

Augmentation planning experience – DM options



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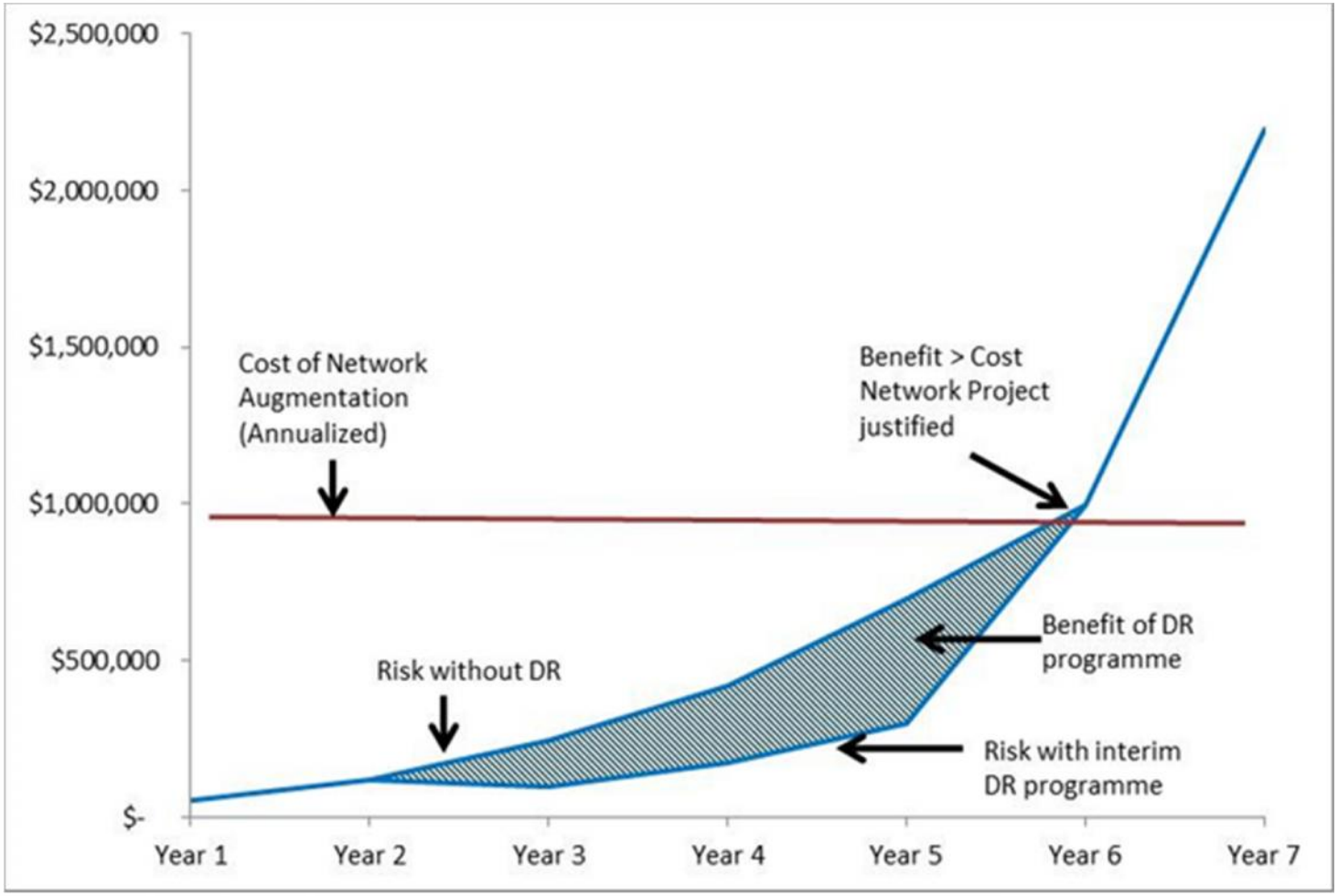
Augmentation planning experience – DM options



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Augmentation planning experience – DM options

- So far we have discovered:
  - DM options that attempt to replace high ‘energy-at-risk’ augmentation projects are often unachievable (the number of customers and of hours of DR operation is too high)
  - The complexity of the incentives, and their interaction with each-other, makes the business case more difficult, eg. capex / opex trade-off, CESS, STPIS, EBSS, DMEGCIS etc.
  - The annual deferral benefits for typical HV feeder projects are usually insufficient to cover costs
  - Our attempts to contract the shift in reliability risk to the DR proponent is often a deal breaker
  - C&I customers, capable of participation in a DR program, are not located in the network areas where DM could be effective

- To better understand the feasibility of DM options:
  - We have developed DR costing model and DR operational structures to support feasibility analysis
  - We are creating new business processes and analytical tools to increase DM IP

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DM Operating Expenditure (EDPR 2016 – 20)

- In our 2016-20 submission we propose to undertake targeted DR programmes in:
  - Footscray East zone sub-station supply area (2017 to 2020); *and*
  - Thomastown to North Heidelberg 66 kV sub-transmission loop supply area (2018 to 2020).
- These will manage the network risk until a time when network augmentation is unavoidable
  - Network upgrades can only be ‘economically’ justified in the 2021-25 regulatory period, with customers facing increasing risk of supply interruption in the interim‘

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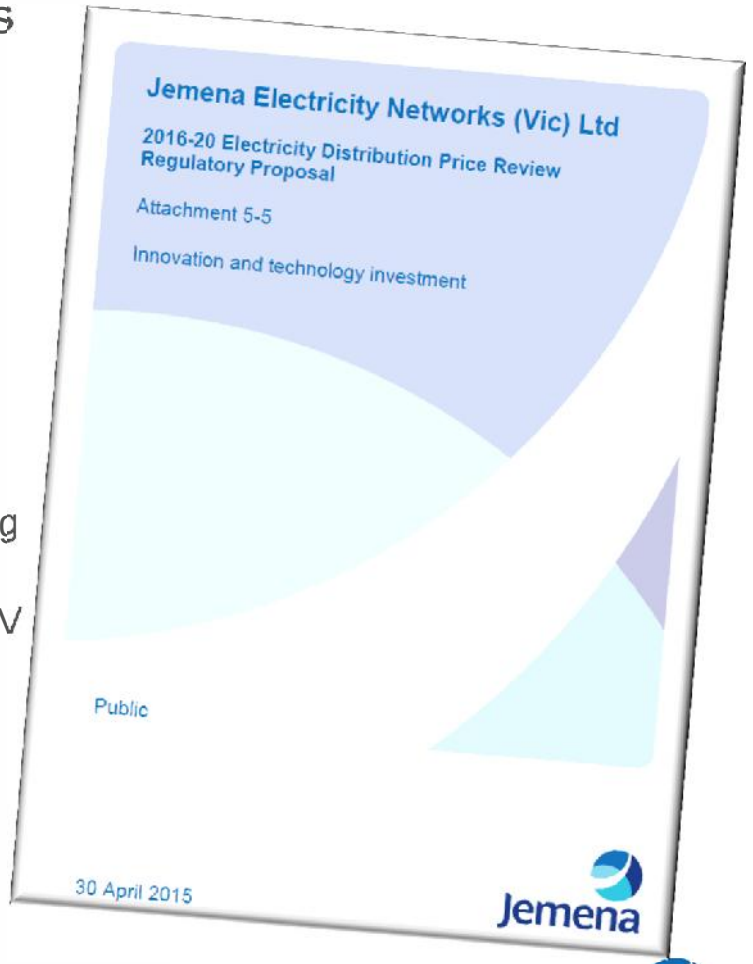
Technology and Innovation Program (2016 – 2020)

- JEN is the most active DB in the NEM* to access DMIS funding
- JEN is proposing to expand this even further by undertaking technology trials under the DMEGCIS scheme:
  1. Innovation program for residential customers
     - A. Phase 1 : Trial the effectiveness of customer education, incentives, and real time notification to reduce peak demand
     - B. Phase 2 : Trial direct switching of appliances using the smart meter infrastructure
     - C. Phase 3 : Manage for energy storage and solar PV
  2. In-grid energy storage
  3. Expanded C&I customer demand response program
  4. Expeditious connection of inverter based embedded generation



* Table 6, AER, "Decision, Applications by DNSPs for Demand Management Innovation Allowance for: 2013 calendar year (Victorian DNSPs); and 2012–13 financial year (all other DNSPs), April 2015

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